



ZEUS
RESOURCES LTD



Annual Report For the year ended 30 June 2017

*The information contained in this report is to be read
in conjunction with Zeus Resources Limited's 2016
half year report and announcements to the market
Zeus Resources released during the period*

WWW.ZEUSRESOURCES.COM ABN 70 139 183 190

CORPORATE DIRECTORY

Directors

Mr Shouyin Wang – Chairperson
Mr Jiangang Zhao - Acting CEO and Director
Mr Gregory Clifton Hall - Non-executive Director
Mr Yong Zhang - Non-executive Director

Company Secretary

Shelley Peters

Principal registered office

105 Level 1, 25-27 Berry Street
North Sydney
Telephone: +61 2 8488 3270

Email: info@zeusresources.com

Auditor

William Buck
29/66 Goulburn St
Sydney NSW 2000

Share Registry

Link Market Services
Level 4, 152 St George's Terrace
Perth WA 6000

Australian Securities Exchange

ASX Code – ZEU

Website: www.zeusresources.com

CONTENTS

CORPORATE DIRECTORY	2
CHAIRPERSON'S REPORT	4
REVIEW OF OPERATIONS REPORT	6
DIRECTORS' REPORT	20
AUDITOR'S INDEPENDENCE DECLARATION	30
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	31
STATEMENT OF FINANCIAL POSITION	32
STATEMENT OF CHANGES IN EQUITY	33
STATEMENT OF CASH FLOWS	34
NOTES TO THE FINANCIAL STATEMENTS	35
DIRECTORS' DECLARATION	53
INDEPENDENT AUDITOR'S REVIEW REPORT	54
TENEMENT SCHEDULE	56
GOVERNANCE STATEMENT	57
SHAREHOLDER INFORMATION	72

CHAIRPERSON'S REPORT

Dear Shareholder,

It is with great pleasure that I write to you and present the Zeus Resources Ltd (Zeus or the Company) Annual Report for the year ended 30 June 2017.

The global energy and resources sector is still under enormous strain over the past 12 months. The downturn of the mining and resources sector continuously brought a lot of pressure to junior exploration companies like Zeus. The Company strictly enforced the rules and regulations to reduce costs and ensure liquidity.

Meanwhile, Zeus carried out some exploration work in its tenements. The farm-out with Segue for its Mortimer Hills tenement has continued to "Stage 2 farm-in". Zeus also contacted and analysed some acquisition opportunities.

Tenements Exploration

Following a review of the exploration work completed by Zeus Resources Ltd to date the company rationalised its tenement holdings during the first half of 2017. This resulted in the voluntary relinquishing of E36/733, the Yeelirrie South Project and the transfer of the title of the Narnoo North Project, E39/1683 to Velo Resources Pty Ltd for a nominal fee paid to Zeus Resources of \$10,000, thus reducing the total of active tenements to six.

Exploration efforts during the year have focussed on the planning of follow up exploration programs for proposed drilling at the Company's Narnoo and Wiluna Projects. This work has included a number of field investigation visits.

Exploration conducted by farm-out partner Segue Resources Limited (ASX: SEG) (Segue) has focused on the lithium potential at the Mortimer Hills site in the Gascoyne region. A number of soil sampling programs were completed, which have identified a low order Li-Cs-Ta-Rb anomaly at the Camel Hill prospect.

Under the agreement with Segue, Zeus has recently confirmed with Segue the completion of the **Stage 1 Farm-in**. Segue has now earned a 35% Participating Interest in tenement E09/1618 and will continue to Stage 2 farm-in to acquire an additional 15% Participating Interest.

Project Acquisition

Over the past 12 months, the board of Zeus has examined some potential projects. Unfortunately the Directors have not felt that any of the reviewed projects had sufficient upside to warrant acquisition or joint venture.

The Company will broaden information channels to get access to new potential acquisitions and joint venture opportunities and continue to actively review resource projects whether in uranium or other base metals such as copper, gold, nickel and zinc. The location of projects are not limited to being within Australia.

The board remains committed to acquiring the right project with the long term goal of creating shareholder value in mind.

CHAIRPERSON'S REPORT

Cost Saving

The Company has taken a number of initiatives to minimise its costs and expenses, including lower the director fee and employee salary, appointing contract geologist, and joint venture for tenement exploration. The company has moved the office from to North Sydney, which will lower the operating cost.

The company still have sufficient fund to support further operations with about \$2.54 million as at 30th June 2017 and no debt.

This financial position will enable the Company to carry out further exploration and explore acquisitions and joint venture possibilities in the next financial year.

Yours Sincerely,

A handwritten signature in black ink, appearing to be '王守银' (Wang Shouyin), written in a cursive style.

Mr. Shouyin Wang
Chairperson

Dated this 28th day of September 2017

REVIEW OF OPERATIONS

Tenement Status

Following a review of the exploration work completed by Zeus Resources Ltd to date the company rationalised its tenement holdings during the first half of 2017. This resulted in the voluntary relinquishing of E36/733, the Yeelirrie South Project and the transfer of the title of the Narnoo North Project, E39/1683 to Velo Resources Pty Ltd for a nominal fee paid to Zeus Resources of \$10,000, thus reducing the total of active tenements to six.

Tenements are shown in Figure 1 and detailed in Table 1.

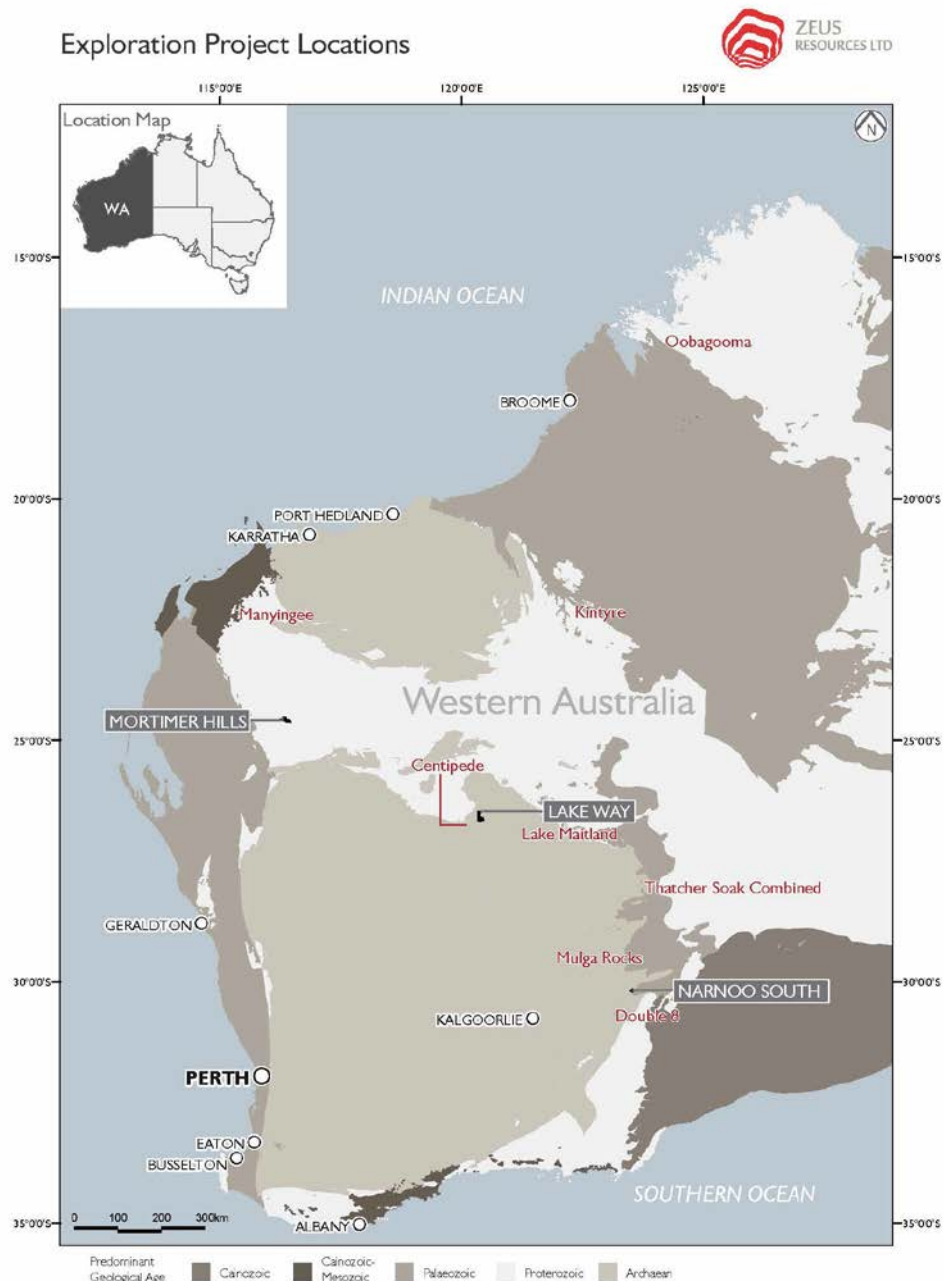


Figure 1. Zeus Resources Tenement Location Map.

REVIEW OF OPERATIONS

Region	Project	Tenement	Status	Holder	Operator	Comments
Wiluna	Lake Way	E 53/1601	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
		E 53/1603	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
		E 53/1604	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
	Yeelirrie South	E 36/733	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Relinquished 5/4/2017
Narnoo	Narnoo North	E 39/1683	Granted	Zeus Resources Ltd	Velo Resources Pty Ltd	Transferred title 100 % to Velo Resources Pty Ltd 18/5/2017
	Narnoo South	E 28/2097	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Gascoyne	Mortimer Hills	E 09/1618	Granted	Zeus Resources Ltd	Segue Resources Ltd	Segue Resources has earned 35% interest in the licence
		E 09/2147	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Table 1. Zeus Resources Tenement Details						

Exploration Program

Exploration efforts during the year have focussed on the planning of follow up exploration programs for proposed drilling at the Company's Narnoo and Wiluna Projects. This work has included a number of field investigation visits.

Exploration conducted by farm-out partner Segue Resources Limited (ASX: SEG) (Segue) has focused on the lithium potential at the Mortimer Hills tenement in the Gascoyne region. A number of soil sampling programs were completed, which have identified a low order Li-Cs-Ta-Rb anomaly at the Camel Hill prospect.

Wiluna Project

During the year preparation for the proposed follow up drilling on the Lake Way Project continued. This preparation included a field visit to the Project area, during late 2016, to assess access conditions and the proposed drill collar locations.

The proposed drilling is a follow up to a successful drilling program conducted in December 2014 where prospective reduced sediments were determined to be widespread at depth within the Lake Way Palaeochannel, with a regionally extensive target sand horizon determined to be restricted to the palaeovalley axis.

REVIEW OF OPERATIONS

The follow up drill program has been planned to target these prospective reduced palaeochannel sandstones within the Kukububba (Lake Way) Palaeochannel.

Approval for this drilling program has been granted by the DMP, with Aboriginal heritage clearance also obtained, for these drill locations within the Lake Way Project area.

Zeus is currently reviewing its plans to undertake the proposed drilling in the first half of 2018.

Following a project review of exploration completed at the Yeelirrie South Project, the company decided to relinquish the tenement E36/733. The surrender was registered on 5th April 2017.

Narnoo Project

Exploration drilling conducted at Narnoo South, E28/2097, during May 2015 intersected low-grade uranium mineralisation within a narrow tributary paleochannel, steeply incised into underlying Permian clays. Tertiary lignites and paleochannel sandstones were well developed with the channel, with up to 27m of lignite intersected. A broad zone of lignite-hosted uranium mineralisation, similar in style to the Mulga Rocks Uranium deposits, was identified at a Redox boundary developed at the top of the lignite horizon.

Assay results from the mineralised zones within Zeus drill holes indicate an average thickness of 2-3m, with average grades across this interval exceeding 0.02% U₃O₈. Historical drilling within the vicinity suggests the mineralised zone ranges from 1-5m thick and extends across the full width of the paleochannel. Mineralisation occurs over a length of ~4km within the channel with this zone remaining open to both the S/SE (upstream) and W/NW (downstream).

During the year preparation for the proposed follow up drilling of the Narnoo South uranium prospect continued. This preparation included a field visit to the Project area, during late 2016, to assess access conditions and the proposed drill collar locations. The proposed drilling program of 12 (priority 1) holes at Narnoo South aims to confirm the uranium grade and thicknesses within the Driller's Palaeochannel, following up on mineralisation identified during the original drilling program conducted in May 2015.

Approval for this drilling program has been granted by the DMP for these drill locations and Zeus is currently reviewing its plans to undertake the proposed drilling in the first half of 2018.

In the financial year ended 30th June 2018 the tenement will be subject to a release of 4 blocks due to the partial compulsory surrender terms of the tenement exploration licence.

As part of the rationalisation of its exploration projects, the Company completed the transfer of title agreement of the Narnoo North Project with Velo Resources Pty Ltd. With the transfer of tenement E39/1683 completed on 18th May 2017

REVIEW OF OPERATIONS

Gascoyne Project

During the reporting period a stream sediment sampling program was undertaken by Zeus Resources farm-out partner Segue Resources Limited on the Mortimer Hills tenement which covers exploration licence E09/1618.

The initial phase of the stream sediment sampling program was undertaken during late 2016, with a total of 160 stream sediment samples collected over the tenement at an average sample density of 2.5 samples per square kilometre.

Results from the stream sediment sampling within E09/1618 and the wider project area, showed a strong correlation amongst the Lithium Caesium Tantalum (LCT) Pegmatite pathfinder elements Li-Cs-Ta + Be, Rb, Nb, Sn. The sampling highlighted some weak anomalism in the vicinity of Camel Hill, which was not entirely covered by the sampling program.

A follow-up stream sediment survey over the Camel Hill Prospect was undertaken during March 2017. The survey was designed to extend upon the previous work and cover off on the prospective ground around Camel Hill within the metasediments of the Mount James Subgroup and Leake Springs Metamorphics.

The results of the sampling program have highlighted the potential of the Camel Hills area to host LCT pegmatites by defining a low order Li-Cs-Ta-Rb anomaly which warrants further exploration. The results are being reviewed and additional stream sediment sampling and soil geochemical sampling programs will be planned accordingly.

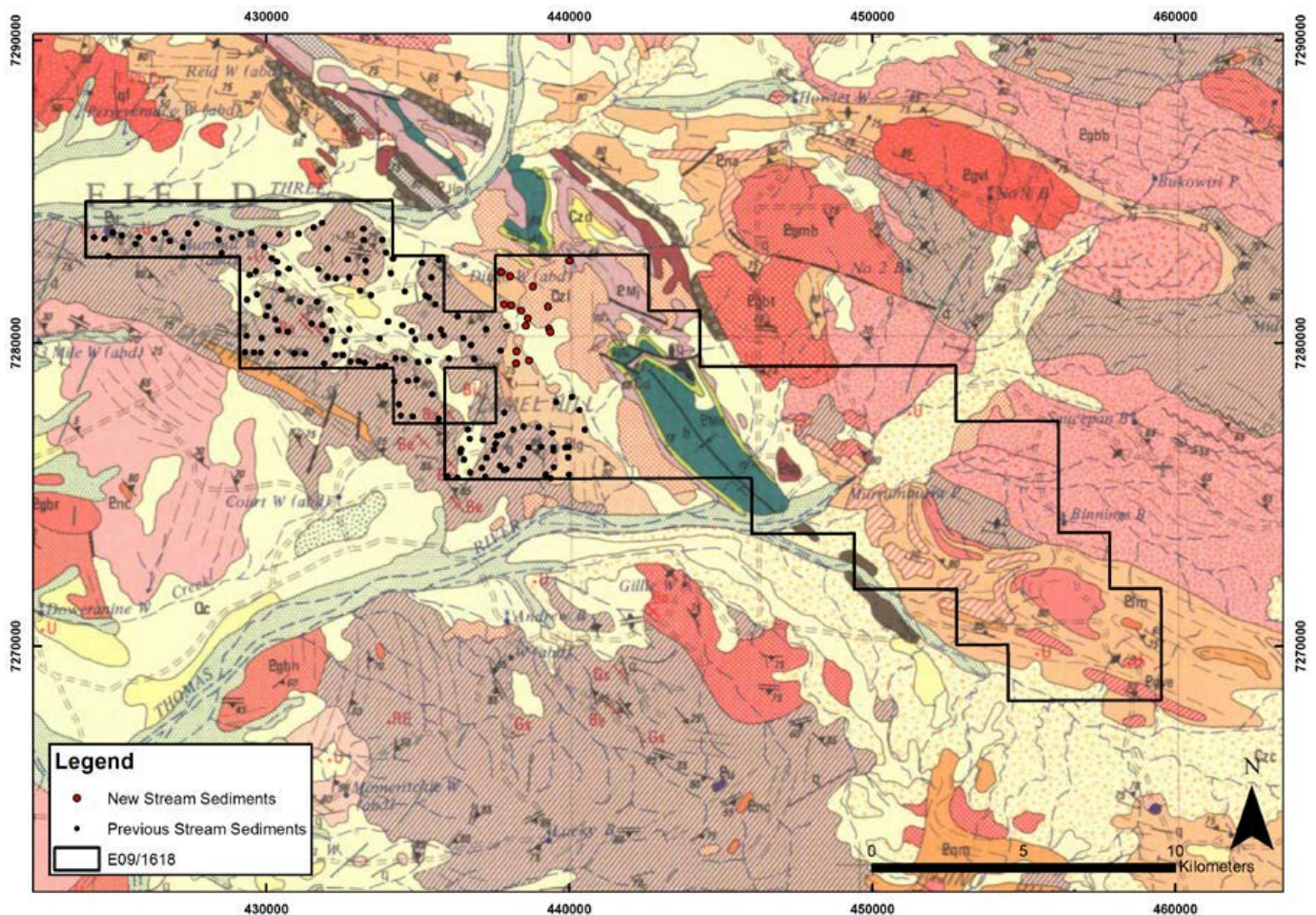


Figure 2. Sample locations on 250k Geology within tenement E09/1618. Anomalous sample locations at Camel Hill highlighted in red.

(Source: Segue Resources Ltd 'Gascoyne Lithium – E09/1618 Update April 2017' to Zeus Resources Ltd)

REVIEW OF OPERATIONS

Under the farm-out agreement with Segue, Zeus has recently confirmed with Segue the completion of the **Stage 1 Farm-in**. Segue has now earned a 35% Participating Interest in tenement E09/1618 and will continue to Stage 2 farm-in to acquire an additional 15% Participating Interest.

The key terms of the Mortimer Hills arrangement are:

- Segue to spend \$30,000 on exploration prior to 15 May 2016 (**Initial Exploration**);
- Following completion of the Initial Exploration, Segue can earn a 35% interest in the tenement through the expenditure of \$125,000 within 12 months (**Stage 1 Farm-in**);
- Following completion of the Stage 1 Farm-in, Segue can earn an additional 15% interest in the tenement (taking Segue's interest to 50%) through the expenditure of \$125,000 within 12 months (**Stage 2 Farm-in**);
- Following completion of the Stage 2 Farm-in, standard terms apply, including contributions in proportion to equity holdings, dilution and pre-emptive rights; and

If either Zeus or Segue's participating interest dilutes to less than 10% then that party's interest will convert to a 1% NSR royalty.

During September 2016 exploration licence E09/2147 at Mortimer Hills was granted to Zeus Resources Ltd. A four day field trip was undertaken by Company geologists during April 2017. The purpose of the field trip was to investigate a reported copper/galena barite vein within E09/2147 and to assess the potential for Lithium-Tantalum pegmatites, such as those identified on the Company's adjacent licence, E09/1618, which is being explored in a farm-out arrangement with Segue Resources Ltd.

A number of mapping and rock chip sampling traverses were completed over potential target areas, with a total of six rock chips samples collected, including two samples targeting gold mineralisation associated with shear zone hosted, quartz veining.

Competent Person Statement:

Information in this release that relates to Exploration Results is based on information compiled by Mr Andrew Rust, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Rust is a full time employee of Shearwater Australia Proprietary Limited. Mr Rust is engaged by Zeus Resources Limited as an independent consultant. Mr Rust has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rust consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

REVIEW OF OPERATIONS

JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC 2012 Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	<ul style="list-style-type: none"> Wiluna drill holes were downhole gamma logged by BoreHole Geophysical Services (BHGS) utilising a calibrated 33mm Auslogger natural gamma probe. Narnoo drill holes at were down hole gamma logged by a contractor provided by Vimy Resources Ltd utilising a calibrated 33mm Auslogger natural gamma probe within the drill rods. Logging was conducted through the drill rods and wherever possible in the open hole. Downhole gamma data was collected at 1cm using a logging speed of 2m per minute. Downhole gamma results have not been reported and were used to select intervals for conventional geochemical assays. Sample intervals for conventional geochemical assay at 1m intervals were selected on the basis of downhole gamma logging results.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Bore-Hole Geophysical Services (BHGS) and Vimy Resources Ltd provided a calibrated 33mm Auslogger natural gamma probe. Probe calibration was conducted at the AMDEL test pits in Adelaide. Calibration data has provided to Zeus by BHGS.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. 	<ul style="list-style-type: none"> N/A
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether 	<ul style="list-style-type: none"> Wiluna drilling was conducted using a Challenger R/A 150 aircore drilling rig supplied by Challenge Drilling. Vertical holes were drilled through Tertiary palaeochannel sediments until crystalline basement was intersected. Narnoo drilling was conducted using a DRILLBOSS 200 aircore drilling rig supplied by Bostech Drilling.

REVIEW OF OPERATIONS

	<i>core is oriented and if so, by what method, etc).</i>	<ul style="list-style-type: none"> Vertical drill holes were drilled through Tertiary palaeochannel sediments until economic basement was reached. Economic basement comprised Permian claystones or Proterozoic metamorphic rocks.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<ul style="list-style-type: none"> All drill cuttings were collected at 1m intervals from the drill-rig cyclone in sample bags (amounting to 20-30kg of sample per metre).
	<ul style="list-style-type: none"> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> Entire sample intervals drill cuttings were collected at 1m intervals from the drill-rig cyclone in sample bags (amounting to 20-30kg of sample per metre).
	<ul style="list-style-type: none"> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Sample loss does not affect qualitative downhole gamma logging data of sediments in situ. All drill cuttings were collected and bagged for each 1m sample interval.
<i>Logging</i>	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> 	<ul style="list-style-type: none"> All aircore cuttings were geologically logged in detail at 1m intervals. Assay intervals were selected on the basis of downhole gamma logging results. Cuttings samples were then checked on site using a hand held RS125 Super Spectrometer. Radiometrically anomalous sample intervals were submitted for assay.
	<ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<ul style="list-style-type: none"> Representative qualitative cuttings samples were collected in chip trays with a reference photography being taken to record colour and redox state.
	<ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> All aircore cuttings were geologically logged in detail and the entire drill hole was downhole gamma logged within the drill rods. Wherever possible, logging was also conducted, in the open hole using downhole gamma, conductivity and density.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> 	<ul style="list-style-type: none"> N/A No core was collected
	<ul style="list-style-type: none"> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	<ul style="list-style-type: none"> Samples were collected by spearing of wet and dry samples. Tertiary sediments were generally dry but unconsolidated sand intervals tended to contain water.

REVIEW OF OPERATIONS

	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	<ul style="list-style-type: none"> Samples were collected from bags by multiple spearings from different angles within the sample bags.
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample sizes are appropriate for the grainsize of the material.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<ul style="list-style-type: none"> Drill samples, including Zeus standards and field duplicates, were submitted to ALS or Intertek/Genalysis analytical laboratories in Kalgoorlie for standard multi-element assay. ALS Laboratory Assay techniques comprised : <ul style="list-style-type: none"> <u>Assay Code ME-MS61u</u> – Four-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Tubes. Analysed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS) <u>Assay Code Au-OG43</u> – 25g nominal sample weight assayed for Au by aqua regia extraction with standard multi-element analysis (as per ME-MS61u) ICP-MS finish. Intertek/Genalysis Assay techniques comprised : <ul style="list-style-type: none"> <u>4A/MS</u> – Four-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Tubes. Analysed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS). <u>4A/OE</u> – Four-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Tubes. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry (ICP-OES). Appropriate QA/QC procedures including the use of sample blanks, repeats and standards were applied by the laboratory.

REVIEW OF OPERATIONS

	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> Cuttings sample radiometrics were individually analysed using hand held self-calibrating RS-125 Spectrometer containing a 6.3 cubic inch Sodium Iodide (NaI) crystal. Downhole logging was conducted using an AusLogger 33mm slimline gamma probe. Gamma probe response is checked daily using a Thorium-232 reference source. Probe calibration was conducted at the AMDEL test pits in Adelaide. Calibration data has provided to Zeus by BHGS. Calibration factors were not applied as qualitative downhole gamma logs were used to select intervals for conventional geochemical assay.
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Selected sample intervals were submitted to ALS or Intertek/Genalysis analytical laboratories in Kalgoorlie for conventional assay. Reference standards and blank samples were inserted at 1 in 20 ratio. An additional 5% of Samples were check assayed by the laboratory with laboratory blanks and standards each inserted at 1 in 20 ratio.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> All drill results are checked by a senior Zeus employee who has experience with uranium deposits; no independent checks were completed on these data.
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> N/A No holes were twinned
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Primary assay data (including assay certificates) is stored electronically as either '.csv' or '.pdf' or Wellcad files on the Zeus server in both Zeus' Sydney and Perth offices. Assay data has been verified by senior Zeus personnel. Zeus' database and server is backed up regularly.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Assay results have not been received at the time of writing.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Sample locations were recorded using handheld GPS. Elevations is derived from a digital elevation model covering the tenement area. Drilling comprised initial scout exploration drilling. No down-hole

REVIEW OF OPERATIONS

		surveys were completed since all holes were drilled vertically and the shallow hole depths relative to wide drill spacing would have a negligible on any mineralised intercepts.
	<ul style="list-style-type: none"> • Specification of the grid system used. 	<ul style="list-style-type: none"> • The grid system used is GDA94, Zone 51.
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The primary topographic control is from the Digital Elevation Model which is sufficient given the generally flat-lying nature of the landscape.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Drill hole spacing is currently at a 1 to several km spacing. Drill hole traverses were oriented along existing tracks orthogonal to interpreted palaeochannels.
	<ul style="list-style-type: none"> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i> 	<ul style="list-style-type: none"> • Data spacing is not yet sufficient to establish any degree of geological and grade continuity.
	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Within Tertiary sediments no sample compositing was applied with assay samples taken at 1m intervals. • Basement samples at Wiluna with potential to contain gold mineralisation were composited. Eight 3m composite samples were submitted for E53/1603.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • Drill holes were oriented vertically. Drill hole traverses were oriented along existing access tracks orthogonal to interpreted palaeochannel orientation.
	<ul style="list-style-type: none"> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drill holes were not surveyed using a downhole orientation tool • No sampling bias is evident in the orientation of the drill holes.

REVIEW OF OPERATIONS

Section 2 Reporting of Exploration Results.

(Criteria in this section apply to all preceding sections.)

Criteria	JORC 2012 Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> Zeus holds 6 granted exploration tenements within the Narnoo, Wiluna, and Gascoyne regions. A farm-out arrangement has been entered into with Segue Resources Ltd on E09/1618. Segue Resources has completed the Stage-1 Farm in and earned 35% of the project. As of the date of this report Zeus 65% ownership of this tenement. Zeus also holds E09/2147 Drilling at the Wiluna Project was conducted on the E36/733, E36/735, E51/1247, E53/1601, E53/1602 and , E53/1603 tenements which are 100% owned by Zeus Resources Ltd. Subsequently E36/735 and E51/1247 were voluntarily relinquished. E36/733 was sold to Velo Resources Pty Ltd, with the transfer registered on 18th May 2017 Drilling at the Narnoo Project was conducted on the E28/206, E28/2097, E39/1401, E38/1683, and E39/1687 tenements which are 100% owned by Zeus Resources Ltd. Subsequently E28/206, E39/1401, and E39/1687 were voluntarily relinquished.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> All tenements are in currently in good standing and no impediments to operating are currently known to exist.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration efforts have been conducted following review of publicly available historical exploration data from the WA Department of Mines & Petroleum "WAMEX" dataset. Shallow drilling for surficial calcrete-hosted uranium mineralisation has been conducted sporadically by several companies over Zeus' Wiluna Project. Tertiary palaeochannel sediments have previously been reported in water bore records but the majority of water bores targeted shallow aquifers.

REVIEW OF OPERATIONS

		<ul style="list-style-type: none"> Historical drilling focused almost exclusively on shallow calcrete-hosted uranium mineralisation with >90% of historical drill holes <20m in depth. Regional scale drilling was conducted by BP Minerals, Uranerz Australia Ltd and PNC Australia Ltd during the 1979-1985 period with several exploration holes being sited on Zeus' tenements in the Narnoo Region. Additional drilling was undertaken by Oklo Uranium during the 2007-2008 period at Narnoo South.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>Potential deposit types/mineralisation styles at the include:</p> <ul style="list-style-type: none"> Calcrete-, Lignite- and Sandstone-Hosted uranium mineralisation within Tertiary Palaeochannels systems. The primary exploration target comprises sandstone-hosted peneconcordant uranium mineralisation developed at the base of the Tertiary palaeochannels.
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> All drill holes are reported within the drill hole details Tables included in previous ASX announcements (June 2015 Quarterly Activities Report 29/7/2015 and December 2014 Quarterly Activities Report 28/1/2015).
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are</i> 	<ul style="list-style-type: none"> A cut-off grade of 200ppm (0.2% U3O8) has been used for mineralisation. Grades below this are referred to as anomalous U or

REVIEW OF OPERATIONS

	<i>usually Material and should be stated.</i>	<ul style="list-style-type: none"> gamma. Grades <50ppm U3O8 are not considered significant. Drill hole assay results within mineralised zones at Narnoo South have been averaged over the width of the zone with individual metre grades reported.
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<ul style="list-style-type: none"> N/A No sample aggregation was undertaken
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Uranium values have been reported as U3O8 (ppm) derived from laboratory assay. No metal equivalent values have been reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	<ul style="list-style-type: none"> Uranium mineralisation widths as reported have been derived from samples of aircore drilling cuttings taken at 1m intervals.
	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> Current indications of anomalous gamma intercepts at Wiluna are not sufficient to draw any conclusions about their geometry. Uranium mineralisation at Narnoo is interpreted to be broadly tabular (peneconcordant) in style but drill spacing is insufficient to determine further.
	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Only downhole lengths are reported. These lengths are appropriate given the vertical orientation of the drill holes and the flat-lying nature of the Tertiary sediments.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Refer to drill hole location maps in previous ASX announcements (June 2015 Quarterly Activities Report 29/7/2015 and December 2014 Quarterly Activities Report 28/1/2015)
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid 	<ul style="list-style-type: none"> A comprehensive reporting of all exploration results is not practicable, representative reporting of both low and high grades has been conducted.

REVIEW OF OPERATIONS

	<i>misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Geological observations and geophysical survey results have been accurately reported.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> Planned further work comprises further data review and exploration drilling. Subsequent exploration work will be dependent upon assay results received.
	<ul style="list-style-type: none"> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Refer to drill hole location maps in previous ASX announcements (June 2015 Quarterly Activities Report 29/7/2015 and December 2014 Quarterly Activities Report 28/1/2015) for current drilling areas. Potential future drilling areas have not been included due to commercial sensitivity.

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Company for the financial year ended 30th June 2017.

Review of operations

During the past financial year, the Company still focused on both geological exploration of current tenements and new project acquisitions.

Following a review of the exploration work completed by Zeus Resources Ltd to date the company rationalised its tenement holdings during the first half of 2017. This resulted in the voluntary relinquishing of E36/733, the Yeelirrie South Project and the transfer of the title of the Narnoo North Project, E39/1683 to Velo Resources Pty Ltd for a nominal fee paid to Zeus Resources of \$10,000, thus reducing the total of active tenements to six.

Exploration efforts during the year have focussed on the planning of follow up exploration programs for proposed drilling at the Company's Narnoo and Wiluna Projects. This work has included a number of field investigation visits.

Exploration conducted by farm-out partner Segue Resources Limited (ASX: SEG) (Segue) has focused on the lithium potential at the Mortimer Hills tenement in the Gascoyne region. A number of soil sampling programs were completed, which have identified a low order Li-Cs-Ta-Rb anomaly at the Camel Hill prospect.

Under the agreement with Segue, Zeus has recently confirmed with Segue the completion of the **Stage 1 Farm-in**. Segue has now earned a 35% Participating Interest in tenement E09/1618 and will continue to Stage 2 farm-in to acquire an additional 15% Participating Interest.

Results of Operations

For the year ended 30th June 2017 the Company recorded a loss of \$1,336,688 (2016: Loss \$2,206,987).

Total exploration expenditure for the year was \$207,502 (2016: \$482,227) of which \$202,190 was capitalised to exploration assets (2016: \$354,411).

For the year ended 30th June 2017 the share price of the Company decreased from opening at \$0.019 per share to close at \$0.013 per share – a change in value of -31.5%.

The Company share price has fallen consistently with the results of performance over the past four years. Share price has decreased from 0.037 as at 30th June 2013 to 0.013 as at 30th June 2017. The Directors will endeavour to improve the Company's performance in future financial periods.

Shares Registry

For the year ended 30th June 2017 the Company did not issue any additional shares or cancel any shares. (2016: Nil). The Company did make any payments for shares in the Company at a discount or premium to the traded price. (2016: Nil)

DIRECTORS' REPORT

Significant changes in state of affairs

1. No significant changes were made to the structure and composition of board and management to 30th June 2017.
2. Relinquishment of Tenements: The Company's relinquishment plans were completed with the number of tenements further reduced to six live tenements.

Principal activities

The principal activity of the Company during the year was the exploration for uranium and other metal resources and the assessment of options for investment in multi-commodity mining assets.

No change in the principal activity occurred during this period.

Likely developments and expected results of operations

The Company intends to continue its exploration activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Directors

The Directors in office during the year and as at the date of this report are:

Mr. Jiangang Zhao
Mr. Gregory Clifton Hall
Mr. Yong Zhang
Mr. Shouyin Wang

Directors have been in office since the start of the financial year (1 July 2017) to the date of this report unless otherwise stated.

DIRECTORS' PROFILES

Mr Shouyin Wang – Chairperson

BA Geology Institute of Hebei
EMBA Xi'an University of Technology

From 1987-1997, Mr Wang worked at the Shandong Office of the China Metallurgical Geological Bureau and from 1997- 2012, he worked for Xinjiang Geological Prospecting Institute as Dean and President. He also acted as a Director, Deputy Manager and as CFO of ZIMC during this period. From 2012 to current, Mr Wang is acting as the director of Mining Development Department of the China Metallurgical Geological Bureau and has been the General Manager of ZIMC since May 2015.

Mr Yong Zhang - Non-Executive Director

B. Engineering (Shandong Construction College)

Mr Yong Zhang has had an extensive career in property development, real estate sales and investment. Mr Zhang has extensive property interests in China with over 1,600 employees. Mr Zhang was instrumental in securing the cornerstone investment in Zeus by China Metallurgical Geological Bureau, via its subsidiary Zhengyuan International Mining Company Limited.

DIRECTORS' REPORT

DIRECTORS' PROFILES (continued)

Mr Gregory Clifton Hall - Non-Executive Director

B. App Sc. (University of New South Wales)

Mr Greg Hall is a seasoned geologist with over 35 years of international experience. From 1988-2005, he was employed by the Placer Dome group of companies, serving as Chief Geologist -World Wide during the last five years he was there. Placer Dome was acquired by Barrick Gold Corporation in early 2006.

Over the course of his illustrious career, Mr Hall had a senior role in the discoveries of both Barrick Gold's Granny Smith mine and Rio Tinto's Yandi iron ore mine. In addition, he took part in the discoveries of Keringal and Wallaby in Australia's Eastern Goldfields, as well as the definition of AngloGold Ashanti's Sunrise gold mine.

Mr Jiangang Zhao – Acting CEO and Director

BA Northwest A&F University

MA Research Institute for Fiscal Science

Mr Jiangang Zhao holds a Bachelor of Accounting, a Master of Finance and a Master of Accounting. Presently, Mr Zhao is the Deputy Chief Financial Officer in the Department of Finance of Zhengyuan International Mining Company Limited.

Ms Shelley Peters - Company Secretary

Ms Peters has worked with Azure Group for over 7 years and leads the Company Secretarial division. Ms Peters also currently manages strategic accounting, and transactional matters, specialising in M&A transactions.

Ms Peters has been admitted as a Lawyer of the Supreme Court of NSW and is a Chartered Accountant.

Environmental Regulations

The Company is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Company aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

The Company is aware of its responsibility to impact as little as possible on the environment and if and when there is any disturbance, to rehabilitate sites. During the period under review, all field and exploration work was carried out in Western Australia. The Company followed procedures and pursued objectives in line with guidelines published by the WA State Government and granting of exploration license application conditions.

These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Company supports this approach and is confident that it properly monitors and adheres to these objectives and any local conditions applicable.

During the period ended 30th June 2017 there have been no known material breaches of the environmental obligations of the Company's contracts or licenses. (2016: None).

Dividends

No dividends have been declared in respect of the year ended 30th June 2017 (2016: Nil)

DIRECTORS' REPORT

Events subsequent to the end of the reporting period

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or in the financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' interest

The Directors' beneficial interest in shares and options as at the date of this report are:

	Shares			Options
	Direct	Indirect	Total	
Mr Shouyin Wang ¹	-	57,650,000	57,650,000	-
Mr Jiangang Zhao ²	-	57,650,000	57,650,000	-
Mr Yong Zhang ³	-	57,534,500	57,534,500	-
Mr Gregory Clifton Hall ⁴	10,000	10,000	20,000	-
Total	10,000	172,844,500	172,854,500	Nil

1. Mr Shouyin Wang was a director controller of Zhengyuan International Mining Company Ltd, which holds the relevant interest in Zeus Resources. Shares held as a nominee director by Mr Ding subsequently transferred to Mr Wang upon his appointment on 30th July 2015

2. Mr Jiangang Zhao is a nominee director appointed to Zhengyuan International Mining Company Ltd and has power to exercise or control the exercise of the voting rights attached to the securities in Zeus Resources.

3. Mr Yong Zhang is a director of and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus Resources.

4. Mr Gregory Clifton Hall controls Omaroo Pty Ltd ATF Hall Family Trust that owns shares in Zeus.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management personnel (KMP) of the Company which includes directors and senior executives. KMP are those individuals that have the authority and responsibility for planning, directing and controlling the activities of the Company.

Remuneration Policy

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board. All executives receive remuneration based on factors such as length of service and experience.

The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the entity's strategic objectives.

The remuneration framework the board established has three components:

- Fixed remuneration consisting of base pay and benefits, including superannuation,
- Short-term performance incentives and bonuses,
- Long-term incentives through issuances of share options.

The combination of these comprises the executive's total remuneration.

DIRECTORS' REPORT

Remuneration Policy (continued)

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the board, based on individual and business unit performance, the overall performance of the entity and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') program comprises of share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the entity's direct competitors.

At issue date of this report there are no Key Management personnel receiving "STI" or "LTI" benefits.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The Board does not currently link KMP or director's remuneration to specific market-based goals or targets due to stage of development of the Company's projects or overall Company performance. Individual performance-based goals are set by the Company to ensure that exploration, project evaluation and administration tasks are performed efficiently and to the benefit of stakeholders.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The maximum aggregate amount for the financial year ending 30th June 2017 was 110,000.

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')

At the 2016 AGM, adoption of the remuneration report for the year ended 30 June 2016 was not approved by the shareholders. Consequently, the Company incurred a 'second stike' and a spill motion against the board members occurred. A general meeting was held in February 2017 and called for nominations for board positions. All incumbent non-executive and executive members were subsequently re-elected at the February general meeting. Subsequent to the meeting and re-election the Board resolved to take further action to reduce costs and to review director remuneration payments and policy.

Additional Benefits

There are no additional benefits provided to Key Management Personnel as at the date of issue of this report.

DIRECTORS' REPORT

Key Management Personnel (KMP) Payments & Benefits

Your directors, company secretary and key management personnel received the following payments / benefits for services for the year ended 30 June 2017 as indicated below:

Senior Officers	Short-term benefits		Post-Employment Benefits		Long-term benefits (\$)	Share option benefits	Total
	Cash Salary and Fees	Bonuses	Super-annuation	Termination payments	Long service leave		
	\$	\$	\$	\$	\$	\$	\$
Andrew Whitten (Company Secretary)							
2017	-	-	-	-	-	-	-
2016 ¹	30,172	-	-	-	-	-	30,172
Shelley Peters (Company Secretary)							
2017	26,500	-	-	-	-	-	26,500
2016 ²	9,655	-	-	-	-	-	9,655
John Higgins (Exploration Manager)							
2017	-	-	-	-	-	-	-
2016 ³	132,052	-	12,545	95,001 ⁵	-	-	144,597
Warrick Clent (Exploration Manager)							
2017	26,983	-	-	-	-	-	26,983
2016 ⁴	18,840	-	-	-	-	-	18,840
Total 2017	53,483	-	-	-	-	-	53,483
Total 2016	190,719	-	12,545	95,001	-	-	298,265

¹ Resigned 17th February 2016

² Appointed 17th February 2016

³ Terminated 27th February 2016

⁴ Appointed 8th April 2016

⁵ Redundancy package for 3.4 years of service, plus leave and payment in lieu of notice recorded as a payable in year ended 30th June 2016 and paid in full 30th September 2016.

DIRECTORS' REPORT

Key Management Personnel (KMP) Payments & Benefits (continued)

Non-Executive Directors and Directors	Short-term benefits		Post-Employment Benefits		Long-term benefits (\$)	Share option benefits	Total
	Cash Salary and Fees	Bonuses	Superannuation	Termination payments	Long service leave		
	\$	\$	\$	\$	\$	\$	\$
Gregory Clifton Hall (Non-Executive Director) ¹							
2017	30,000	-	-	-	-	-	30,000
2016	38,333	-	-	-	-	-	38,333
Mr Shouyin Wang (Chairperson)							
2017	50,000	-	-	-	-	-	50,000
2016 ²	62,500	-	-	-	-	-	62,500
Mr Jiangang Zhao (Acting CEO & Director) ³							
2017	57,000	-	-	-	-	-	57,000
2016	74,333	-	-	-	-	-	74,333
Mr Yong Zhang (Non – Executive Director) ⁴							
2017	30,000	-	-	-	-	-	30,000
2016	38,334	-	-	-	-	-	38,334
Total 2017	167,000	-	-	-	-	-	167,000
Total 2016	213,500	-	-	-	-	-	213,500

The total of remuneration paid to the KMP of the Company and the Company during the year are as follows:

	Year Ended 30-Jun-2017	Year Ended 30-Jun-2016
	\$	\$
Short term employee benefits/Fees	220,483	416,764
Post- employment benefits ⁵	-	95,001
Total KMP compensations	220,483	511,765

¹ Relates to payments of invoices to Golden Phoenix International Pty Ltd ATF Golden Phoenix International Unit Trust

² Relates to invoices for director fees (Chair) paid to ZIMC (China) commencing from 1/7/2016.

³ Relates to invoices for director fees paid to ZIMC (China) commencing from 1/12/2013 plus salary of \$36,000 per annum paid to Mr Zhao directly. Direct salary payment ceased in February 2017, pro-rata for the year amounted to \$27,000.00.

⁴ Relates to invoices for director fees paid to Heng Ji Pty Ltd commencing from 1/12/2013.

⁵ Recorded as a payable amount to Mr John Higgins who was terminated in February 2016, the previous financial year, and eventually paid out in full in September 2016. There are no further claims payable to Mr Higgins.

DIRECTORS' REPORT

Key Management Personnel Interests as at 30 June 2017:

The number of ordinary shares held by each KMP of the Company at the end of the reporting period is as follows:

Name	Shares held		Balance at start of Year	Received as part of Remuneration	Additions	Disposals	Balance at end of Year
	Direct	Indirect					
Mr Shouyin Wang ¹	-	57,650,000	57,650,000	-	-	-	57,650,000
Mr Jiangang Zhao ²	-	57,650,000	57,650,000	-	-	-	57,650,000
Mr Yong Zhang ³	-	57,534,500	57,534,500	-	-	-	57,534,500
Mr Andrew Whitten ⁵	10,000	200,000	210,000	-	-	-	210,000
Gregory Clifton Hall ⁴	10,000	10,000	20,000	-	-	-	20,000
Total	20,000	173,044,500	173,064,500	-	-	-	173,064,500

1. Mr Wang shares held as a nominee director appointed by Zhengyuan International Mining Company Ltd and has power to exercise or control the voting rights attached to the securities in Zeus (previously held by Mr Ding and transferred to Mr Wang upon his appointment on 30th July 2015).
2. Mr Jiangang Zhao as a nominee director appointed by Zhengyuan International Mining Company Ltd and has power to exercise or control the voting rights attached to the securities in Zeus.
3. Mr Zhang Yong is a director of and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus.
4. Mr Gregory Clifton Hall controls Omaroo Pty Ltd ATF Hall Family Trust that owns shares in Zeus.
5. Mr Andrew Whitten, the company secretary, controls Landrew Investments Pty Ltd, A & L Whitten Pty Ltd and is associated with Barbary Coast Ltd which also owns shares in Zeus.

Transactions with KMP

Transactions with key management personnel:

Through ownership:

Whittens & McKeough Pty Ltd ("Whittens") is an entity related to the Company's former Company Secretary, Andrew Whitten. Whittens has provided professional and legal services to Zeus Resources Ltd in the past including the preparation of the prospectus and due diligence in listing Zeus Resources Ltd on the ASX. Andrew Whitten through his nominees is also a shareholder of Zeus Resources Ltd. In the previous financial year \$30,172 was paid, for the period ended 30 June 2017 there were no payments.

Other transactions with key management personnel and their related parties:

During the financial year, payments amounting to \$107,000 (2016: \$136,833) were made to ZIMC in relation of fees appointed nominee directors, acting CEO and Chairperson. As at 30th June 2017 there was \$20,000 payable and due to ZIMC for the aforementioned fees (2016: \$13,333)

During the financial year, payments amounting to \$30,000 (2016 \$38,333) were made to Golden Phoenix International Unit Trust in relation to the directors fees of Mr Greg Hall. As at 30th June 2017 there was \$8,250 payable and due to Golden Phoenix International Unit Trust for the aforementioned fees (2016: \$5,500).

During the financial year, payments amounting to \$30,000 (2016: \$38,333) were made to Heng Ji Pty Ltd in relation to directors fees of Mr Young Zhang. As at 30th June 2017 there was \$7,500 was payable to Heng Ji Pty Ltd for the aforementioned fees (2016: \$5,000).

(This is the end of the audited remuneration report).

DIRECTORS' REPORT

Directors' meetings

The number of directors' meetings of Zeus Resources Limited (including by way of circular resolution) held during the year ended the 30th June 2017 and the numbers of meetings attended by each director are as follows:

Director	Directors' Meetings	
	Eligible to attend	Attended
Mr Gregory Clifton Hall	3	3
Mr Jiangang Zhao	3	3
Mr Yong Zhang	3	3
Mr Shouyin Wang	3	3

Indemnity and insurance of officers

During the financial period the Company paid premiums to insure all directors and officers of the Company against claims brought against the individual while performing services for the Company and against expenses relating thereto, other than conduct involving a willful breach of duty in relation to the Company.

The amount of insurance premium paid has not been disclosed as it would breach the confidentiality clause in the insurance policy. The Company has indemnified directors to the extent possible under the Corporations Act against any liabilities incurred by the person as an officer of the Company. The Company has not indemnified the auditor.

Indemnity and insurance of auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related company.

Non-audit services

Our appointed auditors, William Buck, did not provide any non-audit services during the year ended 30th June 2017 (2016: Nil).

Proceedings on behalf of The Company

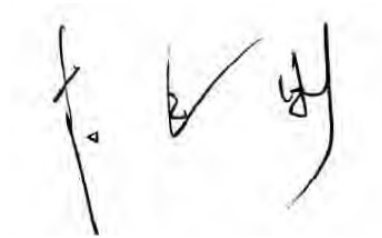
No person has applied to the Court for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of The Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' REPORT

Auditor independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30th June 2016 has been received and can be found on page 30 of this annual report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to be 'J. Zhao', written over a faint circular stamp.

Mr. Jiangang Zhao
Director and Acting CEO

Dated this 28th day of September 2017

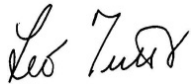
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF ZEUS RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'William Buck'.

William Buck
Chartered Accountants
ABN 16 021 300 521

A handwritten signature in black ink that reads 'L. E. Tutt'.

L. E. Tutt
Partner
Dated this 28th day of September, 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30-Jun-17 \$	Year ended 30-Jun-16 \$
Income from ordinary activities		81,209	108,851
Less expenses:			
Corporate and administration costs			
Accounting and audit fees		91,773	97,879
Company secretarial and compliance		25,175	41,822
Computers and communications		21,970	30,116
Directors' fees and expenses		189,908	234,323
Employee salaries and benefits		28,811	98,616
Insurance		22,196	19,217
Legal and consultants' fees		15,467	73,547
Rent and utilities		272,557	264,487
Share registry maintenance and listing fees		23,794	23,019
Exploration and evaluation costs			
Project expenditure (net of capitalised expenditure)		5,312	127,817
Impairment	5	708,479	1,245,347
Business development			
Employee salaries and benefits		960	23,468
Travel and accommodation		3,643	2,912
Other expenses from ordinary activities			
Depreciation		7,568	20,422
Other expenses		284	12,847
Total Expenses		1,417,897	2,315,838
Loss before income tax	2	(1,336,688)	(2,206,987)
Income tax expense	2	-	-
Loss for the year attributable to the Company		(1,336,688)	2,206,987
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the Company		(1,336,688)	(2,206,987)
Loss per share			
Basic - per share		(0.0074)	(0.0122)
Diluted - per share		(0.0074)	(0.0122)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	As at 30-Jun-17	As at 30-Jun-16
CURRENT ASSETS		\$	\$
Cash and cash equivalents	3	2,541,337	3,479,245
Other assets	4	17,439	10,424
TOTAL CURRENT ASSETS		<u>2,558,776</u>	<u>3,489,669</u>
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	576,139	1,087,740
Property, plant and equipment	6	34,035	41,603
TOTAL NON-CURRENT ASSETS		<u>610,174</u>	<u>1,129,343</u>
TOTAL ASSETS		<u>3,168,950</u>	<u>4,619,012</u>
CURRENT LIABILITIES			
Trade and other payables	7, 8	145,328	258,702
TOTAL CURRENT LIABILITIES		<u>145,328</u>	<u>258,702</u>
TOTAL LIABILITIES		<u>145,328</u>	<u>258,702</u>
NET ASSETS		<u>3,023,622</u>	<u>4,360,310</u>
EQUITY			
Contributed equity	9	17,398,334	17,398,334
Accumulated losses	11	(14,374,712)	(13,038,024)
TOTAL EQUITY		<u>3,023,622</u>	<u>4,360,310</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity	Share option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2015	17,398,334	247,500	(11,078,537)	6,567,297
Loss for the year	-	-	(2,206,987)	(2,206,987)
Options Expired in full	-	(247,500)	247,500	-
Balance at 30 June 2016	<u>17,398,334</u>	<u>-</u>	<u>(13,038,024)</u>	<u>4,360,310</u>
Balance at 1 July 2016	17,398,334	-	(13,038,024)	4,360,310
Loss for the year	-	-	(1,336,688)	(1,336,688)
Balance at 30 June 2017	<u>17,398,334</u>	<u>-</u>	<u>(14,374,712)</u>	<u>3,023,622</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30-Jun-2017	Year ended 30-Jun-2016
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(816,542)	(864,121)
Payments for taxes		(3,271)	7,026
Interest received		84,095	111,026
Interest paid		-	-
Net cash used in Operating Activities	12	<u>(735,718)</u>	<u>(746,069)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchase of tenements		-	300,351
Payments for exploration and evaluation		(202,190)	(782,591)
Payments for plant and equipment		-	-
Net cash used in Investing Activities		<u>(202,190)</u>	<u>(482,240)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issues		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents held		(937,908)	(1,228,309)
Cash at beginning of financial year		3,479,245	4,707,554
Cash and Cash Equivalents at end of financial year	12	<u><u>2,541,337</u></u>	<u><u>3,479,245</u></u>

The above statement of cash flow should be read in conjunction with the accompanying notes.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been approved by the board on the date of signing.

The principal activity of the Company during the year was the exploration for uranium and other base metals.

A. Basis of accounting

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations issued by the Accounting Standards board.

(i) Compliance with IFRS:

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB),

(ii) Historical Cost Convention:

These financial reports are prepared under the historical cost convention.

(iii) Critical Accounting Estimates:

The presentation of financial statements requires the use certain critical accounting estimates. The Company also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements is disclosed later. See part G.

(iv) Foreign currency transactions and balances:

Items included in the financial statements are measured using Australian Dollars (functional currency of Zeus Resources Ltd). Foreign currency transactions have been translated in the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Changes in Accounting Policies

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current year. The adoption of these standards and interpretations did not have any significant impact on the financial performance or position of the Company.

B. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

B. Income Tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

C. Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally settled between 7 days and 90 days terms.

D. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of time value of money is material, provisions are discounted at a rate that reflects the risks specific to the liability.

E. Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows. Cash flows are presented in the statement of cash flows on a gross basis.

F. Exploration and evaluation expenditure policy

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- construction of access roads where necessary for exploration drilling;
- examining and testing extraction and treatment methods; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Capitalisation of exploration expenditure commences when there is a reasonable level of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Company. Capitalised exploration expenditure is reviewed for impairment at the end of the reporting period. Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all unrecoverable costs associated with the project and the related impairment provisions are written off.

Undeveloped properties are mineral concessions where the intention is to develop and go into production in due course. The carrying values of assets are reviewed annually by management and the results of these reviews are reported to the Board and is assessed based on a status report regarding Zeus Resources intentions for development of the undeveloped property. Reviews are performed using the fair value less cost to sell method.

G. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, income and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTES TO THE FINANCIAL STATEMENTS

H. Income Recognition

(i) Interest earned

Income from interest earned on investments is recognised on a time proportion using the effective interest rate method.

(ii) Net gains on disposal of assets, which is recognised as at the date the control of the asset passes from the company.

I. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the equity division of the statement of financial position as a deduction net of any tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration and are expensed as incurred.

J. Property, plant and equipment

(i) Acquisition

Items of property, plant and equipment are recorded at historical cost and, are depreciated as outlined below. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred.

(ii) Depreciation and amortisation

The following indicates the depreciation method for plant and equipment on which the depreciation charges are based:

- straight-line basis over their useful operating life
- Plant and equipment other than computers – five years
- Plant and equipment - computers – three years
- Furniture & fittings – ten years
- Leasehold Improvements – term of lease.

(iii) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. Lease improvements are amortised over the shorter of the lease term and useful life of the asset.

K. Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

NOTES TO THE FINANCIAL STATEMENTS

K. Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

L. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit and loss and other comprehensive income. Impairment testing is performed annually for goodwill and other intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

M. Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and long service leave not expected to be settled wholly within 12 months of the reporting date, when it arises, will be recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees.

N. Farm-out arrangements

The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received from a farmee is credited directly against previously capitalised purchase values in relation to the whole interest previously and with any excess account for by the farmor as a gain on disposal.

NOTES TO THE FINANCIAL STATEMENTS

O. Accounting Standards and Interpretations for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2017. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

- *AASB 9 Financial Instruments (December 2014) and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (applicable for annual reporting periods commencing on or after 1 January 2018)*

AASB 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements.

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value and an allowance for debt instruments to be carried at fair value through other comprehensive income in certain circumstances
- simplifying the requirements for embedded derivatives
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows
- amending the rules for financial liabilities that the entity elects to measure at fair value, requiring changes in fair value attributed to the entity's own credit risk to be presented in other comprehensive income
- introducing new general hedge accounting requirements intended to more closely align hedge accounting with risk management activities as well as the addition of new disclosure requirements
- requirements for impairment of financial assets

The Company does not expect that the new requirements will have a material impact given the nature of the Company's financial assets and financial liabilities.

- *AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Effective Date of AASB 15 and AASB 2016-3 Clarifications to AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018)*

AASB 15 establishes a single, comprehensive framework for revenue recognition, and replaces the previous revenue Standards AASB 118 Revenue and AASB 111 Construction Contracts, and the related Interpretations on revenue recognition Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers and Interpretation 131 Revenue—Barter Transactions Involving Advertising Services.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

O. Accounting Standards and Interpretations for application in future periods (continued)

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Given that the Company is not yet earning revenue from operating activities and that the Company's income consists solely of interest received the Company does not expect to be materially impacted by the new requirements.

— *AASB IFRS 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019)*

AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the

Underlying asset during the lease term (ie right-of-use asset) and a liability to make lease payments (ie lease liability). Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

The lessor accounting requirements are substantially the same as in AASB 117. Lessors will therefore continue to classify leases as either operating or finance leases.

AASB 16 will replace AASB 117 *Leases*, Interpretation 4 *Determining Whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and interpretation 127 *Evaluating the substance of Transactions Involving the Legal Form of a Lease*.

The Company does not expect that the new requirements will have a material impact given the nature of the Company's financial assets and financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE		
	30-Jun-17	30-Jun-16
	\$	\$
(a) Income Tax Benefit/(Expense)		
Current Income Tax	-	-
Current Income tax benefit/(expense)	-	-
(b) Deferred income tax		
Deferred tax assets not brought to account (gross)	(3,959,252)	(3,250,773)
Tax losses	(522,514)	(755,527)
Temporary differences	-	-
Total deferred tax assets not brought to account	(4,481,766)	(4,006,300)
(c) Amounts Charged or Credited Directly to Equity		
Share Issue Costs	(122,375)	(122,375)
Share based payments expense		
Total deferred tax assets Charged or Credited Directly to Equity	(122,375)	(122,375)
(d) Numerical Reconciliation of Income Tax Benefit to Prima Facie		
Tax Payable		
Loss Before Income Tax	(1,336,688)	(2,206,987)
Prima facie income tax credit on loss at 27.5% (2016 30%)	(367,589)	(662,096)
Tax effect of:		
-Non allowable expenditure for tax purposes	-	1,938
-Provisions and prepayments brought to account	(32,550)	28,014
Current year tax losses not brought to account	(400,139)	(633,152)

The tax losses and deferred tax assets do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Company can utilise the benefits. The benefit of these tax losses will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The company continues to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affects the Company realising the benefit from the deductions for the losses.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: CASH AND CASH EQUIVALENTS	30-Jun-2017	30-Jun-2016
	\$	\$
Cash Transaction Account	28,921	9,356
Cash Management Account	88,234	158,980
Term deposits 30-180 days	2,423,682	3,310,349
Cash on hand	500	560
Total	<u>2,541,337</u>	<u>3,479,245</u>

See also Note 12: Cash Flow

NOTE 4: OTHER ASSETS	30-Jun-2017	30-Jun-2016
	\$	\$
Current		
Prepaid insurance	-	347
Interest receivable	7,191	10,077
Prepaid travel expenses	10,248	-
Total current	<u>17,439</u>	<u>10,424</u>
Total Non-current	<u>-</u>	<u>-</u>
Total Other assets	<u>17,439</u>	<u>10,424</u>

NOTE 5: EXPLORATION AND EVALUATION ASSETS – NON-CURRENT	30-Jun-2017	30-Jun-2016
	\$	\$
Area of Interest:		
Wiluna (Lakes Way and Yeelirrie)		
Opening Balance	492,343	365,985
Capitalised Costs	93,980	126,358
Impairment	(305,458)	-
Closing Balance	<u>280,865</u>	<u>492,343</u>
Gascoyne (Red Rock and Mortimer Hills)		
Opening Balance	244,532	288,347
Capitalised Costs	44,178	103,762
Impairment	(141,124)	(147,577)
Closing Balance	<u>147,586</u>	<u>244,532</u>
North Musgrave		
Opening Balance	-	186,373
Capitalised Costs	-	476
Impairment	-	(186,849)
Closing Balance	<u>-</u>	<u>-</u>
Narnoo (North and South)		
Opening Balance	350,865	1,137,960
Capitalised Costs	68,720	123,825
Impairment	(271,897)	(910,920)
Closing Balance	<u>147,688</u>	<u>350,865</u>
Total Exploration and Evaluation Assets	<u>576,139</u>	<u>1,087,740</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: EXPLORATION AND EVALUATION ASSETS – NON-CURRENT (continued)

Valuation

The value of the Company interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or by their sale.

The Company's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent) or contain sacred sites, or sites of significance to the indigenous people of Australia.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims

Impairment Losses

Total impairment losses for the year were \$718,479 (2016: \$1,245,346) reflecting a substantial reduction in size and number of tenement interests that the Company holds, as discussed in the Director's report. The Company received \$10,000 in consideration from Velo Resources Ltd for the transfer of the title of tenement E36/1683 – this amount is represented in the financial report as an offset to total impairment for the year in reducing the impairment losses to \$708,479. The list of tenements in which the Company has an interest is disclosed on page 57.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: PLANT, EQUIPMENT, FURNITURE & FITTINGS	30-Jun-2017	30-Jun-2016
	\$	\$
Plant & Equipment – at cost	73,537	73,537
Accumulated depreciation	(58,765)	(55,123)
Total Plant and Equipment	14,773	18,414
Movements during the year:		
Opening Balance	73,537	73,537
Additions during the year	-	-
Closing Balance	73,537	73,537
Depreciation		
Opening balance	(55,123)	(39,003)
Charge during the year	(3,642)	(16,120)
Closing depreciation	(58,765)	(55,123)
Net book value	14,772	18,414
Furniture & Fittings – at cost	34,307	34,307
Accumulated depreciation	(15,979)	(12,838)
Total Furniture and Fittings	18,328	21,468
Depreciation		
Opening balance	(12,839)	(9,398)
Charge during the year	(3,139)	(3,441)
Closing depreciation	(15,979)	(12,839)
Net Book Value	18,328	21,468
Leasehold improvements	4,300	4,300
Accumulated depreciation	(3,367)	(2,580)
Total Leasehold improvements	933	1,720
Depreciation		
Opening balance	(2,579)	(1,718)
Charge during the year	(787)	(861)
Closing depreciation	(3,366)	(2,579)
Net Book Value	934	1,721
TOTAL	34,035	41,603

NOTE 7: TRADE AND OTHER PAYABLES	30-Jun-2017	30-Jun-2016
	\$	\$
Trade creditors	50,455	53,876
Other payables		
- Audit expenses	31,500	22,000
- Salaries, employee benefits and PAYG payable	5,542	95,001
- Annual leave accruals	3,617	2,564
- Sundry payables	27	31,073
Total trade and other payables	91,141	204,514

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: PROVISIONS		
	30-Jun-2017	30-Jun-2016
	\$	\$
Make good provision for Sydney offices	54,187	54,187
Total Provisions	<u>54,187</u>	<u>54,187</u>
Movements during the year:		
Opening Balance	-	-
Additions during the year	-	-
Reversals during the year	-	-
Closing Balance	<u>54,187</u>	<u>54,187</u>

NOTE 9: CONTRIBUTED EQUITY

2017

(a) Ordinary Shares Number

Number on Issue

Balance at the beginning of the year	180,150,000
Shares issued during the year	-
Balance at the end of the financial year	180,150,000

(b) Ordinary Shares Value

Value (\$)

Balance at the beginning of the year	17,398,334
Shares issued during the year	-
Balance at the end of the financial year	17,398,334

2016

(a) Ordinary Shares Number

Number on Issue

Balance at the beginning of the year	180,150,000
Shares issued during the year	-
Balance at the end of the financial year	180,150,000

(b) Ordinary Shares Value

Value (\$)

Balance at the beginning of the year	17,398,334
Shares issued during the year	-
Balance at the end of the financial year	<u>17,398,334</u>

Ordinary Shares entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorized Capital.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: SHARE OPTION RESERVE	30-Jun-2017	30-Jun-2016
-------------------------------	-------------	-------------

The share option reserve is used to recognise the value of equity-settled share-based payment transactions in relation to employee benefits or for the acquisition of assets.

	Number on Issue	Number on Issue
Share Options Issued		
Balance at the beginning of the year ¹	-	1,500,000
Options issued during the year	-	-
Options expired during the year 30 June 2014	-	-
Options expired during the year 30 June 2015	-	-
Options expired during the year 30 June 2016	-	(1,500,000)
Balance at the end of the financial year	-	-
	Value \$	Value \$
Balance at the beginning of the year ²	-	247,500
Options expired their entirety	-	(247,500)
Balance at the end of the financial year	-	-

¹ Remaining quantity of options forming the Share Exchange Agreement between Zeus Resources Ltd, Kalium and the Kalium shareholders dated 12 August 2010 as subsequently amended.

² Value of options forming the Share Exchange Agreement between Zeus Resources Ltd, Kalium and the Kalium shareholders dated 12 August 2010 as subsequently amended.

NOTE 11: ACCUMULATED LOSSES	30-Jun-2017	30-Jun-2016
	\$	\$
Accumulated losses at the beginning of the financial year	(13,038,024)	(11,078,537)
Net loss attributable to members of the entity	(1,336,688)	(2,206,987)
Options Expired	-	247,500
Accumulated losses at the end of the financial year	(14,374,712)	(13,038,024)

NOTE 12: STATEMENT OF CASH FLOW INFORMATION	30-Jun-2017	30-Jun-2016
	\$	\$
Cash at bank	117,154	168,336
Term deposit	2,423,683	3,310,349
Cash	500	560
Total	2,541,337	3,479,245
Loss from ordinary activities after income tax	(1,336,688)	(2,206,987)
Adjustment for non-cash items		
- depreciation	7,568	20,422
- leave entitlement accrual	-	2,564
- investment expenses and provisions	3,283	206,675
- impairment	708,479	1,245,347
Add: Changes in working capital		
(Increase)/decrease in trade and other receivables	2,886	2,175
(Increase)/decrease in other assets	(10,247)	35,977
(Decrease) /Increase in trade payables	(1,047)	(68,885)
(Decrease) /Increase in other liabilities	(112,223)	15,909
(Decrease) /Increase in other payables	2,271	3,298
Cash outflow from operations	(735,718)	(746,069)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: AUDITORS REMUNERATION		
	30-Jun-2017	30-Jun-2016
	\$	\$
Auditing or reviewing the financial reports	28,390	28,300
Other Services – Corporate Advisory services	-	-
Total	<u>28,390</u>	<u>28,300</u>

NOTE 14: SEGMENT INFORMATION

The Company's operations are in one reportable business segment being the exploration of uranium and minerals. The Company operates in one geographical segment being Australia.

NOTE 15: RELATED PARTY TRANSACTIONS		
	30-Jun-2017	30-Jun-2016

Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2017. The totals of remuneration paid to the KMP of the company during the year are as follows:

Short term employee benefits/Fees	220,483	416,764
Post- employment benefits ¹	-	95,001
Total KMP compensations	<u>220,483</u>	<u>511,765</u>

¹Recorded as a payable amount owing to Mr John Higgins in the financial reports for the period ending 30 June 2016. The payable was fully settled on 30th September 2016.

Other transactions with related parties

Mr Andrew Whitten – Former Company Secretary holds 210,000 shares directly or via nominees. A monthly service retainer existed between Whittens and Zeus Resources for company secretarial services – total fees paid for the period ended 30th June 2017 was nil (2016: \$30,172) and there were no amounts outstanding at 30th June 2017 (2016: nil). The service retainer agreement was terminated with Whittens in February 2016. Mr A Whitten also has interest in Whittens & McKeough Pty Ltd who have acted as the Company solicitors in previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: COMMITMENTS AND CONTINGENCIES

30-Jun-2017

30-Jun-2016

\$

\$

a) Commitments

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

Projects:

Within 1 year ¹	184,000	349,000
More than 1 year but not later than five years ¹	1,468,000	2,713,750
More than five years	-	646,000
Total	1,652,000	3,708,750

Administration

Not later than one year ^{2,3}	68,404	283,151
Later than one year but not later than five years ^{2,3}	56,683	57,937
More than five years	-	-
Total	125,087	341,088

Total commitments	1,777,088	4,049,838
-------------------	-----------	-----------

¹ Based on current commitment requirements set by Department Mining and Petroleum and blocks licenced.

² Lease assignment between Heng Ji Investments Pty Ltd, Zeus Resources and CBRE Pty Ltd executed as at 1 September 2013 (expiring 11 Sept 2017)

³ Lease assignment between Zeus Resources and LJ Hooker Ltd executed 15 August 2018. Lease is for a period of 2.5 years with a maximum commitment of \$84,800 in total.

b) Contingent assets and liabilities

Contingent liabilities

Contingent liabilities as at end of reporting period 30th June 2017 amount to \$114,989 in the form of a Bank Guarantee for the lease of the Sydney offices. (2016: \$114,989).

Contingent assets

There are no contingent assets as at end of reporting period 30th June 2017 (2016: Nil).

NOTE 17: FINANCIAL RISK MANAGEMENT

The below table summarises interest rate receivable or payable for the Company:

	Effective Interest Rate	Floating interest rate amount \$	Non-Interest Bearing \$	Total \$
2017				
Financial assets				
Cash and cash equivalents	2.0%	2,540,837	500	2,541,337
Financial liabilities				
Trade and other payables	0.0%	-	(145,328)	(145,328)
2016				
Financial assets				
Cash and cash equivalents	2.0%	3,478,685	560	3,478,685
Financial liabilities				
Trade and other payables	0.0%	-	(258,702)	(258,702)

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

a) Credit risk

The Company has no significant concentrations of credit risk with debtors as the Company has not issued any sales for services or products during the period ending 30th June 2017, hence the Company does not insure any outstanding debts.

(b) Interest rate risk

	30-Jun-2017	30-Jun-2016
	\$	\$
Potential impact on post-tax loss:		
Effective Interest rate -1%	(25,408)	(34,787)
Effective Interest rate +1%	25,408	34,787

The Company places surplus cash with the bank in term deposit of up 90 days. This rate can vary from rollover period to rollover period. Exposure to variances in interest rates is not controlled by the Company and returns are subject to current interest rates on offer by the banks at the time of rollover of the term deposit(s).

(c) Liquidity risk

The Company's principal financial assets are cash and short-term deposits. The Company has taken steps to reduce risk of significant exposure to its cash holdings. Excess cash funds have been invested in low risk Term Deposits with two financial institutions – Westpac Banking Corporation \$264,989 and \$2,158,692 with the Bank of China (Australia) Ltd (account located in Australia and funds in Australian dollars). The Term Deposits have staggered expiry dates to ensure that the Company can access funds as needed without penalty. Both of these institutions meet stringent banking regulations and the risk to the funds placed therein is minimal.

The Company's principal financial liabilities comprise of accounts payable. The maximum risk for the period ending 30th June 2017 extended to Trade and other payables amounting to \$145,328 which is due to be paid within the next 90 days at a maximum. The Company has sufficient funds to meet this requirement.

(d) Management of Capital

The Company's main objective when managing capital is to safeguard the Company's ability to continue as a going concern with the ultimate goal of providing returns for shareholders. The Company's capital consists of issued ordinary shares. During the financial year the Company reversed the Share Options reserve in full due to the expiration of all Options that were previously on issue.

The Company currently has no loans or other borrowings that forms part of the capital structure and therefore is not exposed to any financial covenants.

No changes are expected to be made to the capital structure in the near future, however it would be expected that further development of tenements, future acquisitions or cash requirements to fund operations will be funded by future capital raisings.

(e) Fair values

The financial assets and liabilities of the Company are recognised in the statement of financial position at their carrying amount, which is a reasonable approximation of fair value in accordance with the accounting policies in note 1.

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

(f) Risk Exposures and responses

The Company manages its exposure to financial risks in accordance with its management policies. The Policy aims to protect the financial assets of the Company by ensuring that control of funds is not compromised. Senior management is responsible for reducing risk-taking activities by introducing and maintaining policies and risk management.

The Company seeks to have minimum exposure to market forces by maintaining low risk investment strategies of cash reserves. The Company currently has no foreign exchange exposure and does not foresee having any in the new future and therefore does not have a policy currently to address foreign exchange risk.

NOTE 18: FARM-OUT ARRANGEMENTS

Farm-out arrangement

The Company, (farmor) entered into an agreement with Segue Resources Ltd (farmee), in April 2016. The tenement in the agreement is known as E09/1618 – Mortimer Hills. Under the agreement associated costs of exploration activities to meet with minimum commitment criterion set by the Department of Mining and Petroleum (WA) will be met in return for 35% to 50% interest in the tenement, dependent on the terms of the agreement being achieved. Segue Resources Ltd ("Segue") have been appointed manager of the project.

The key terms of the Mortimer Hills arrangement are:

- Segue can earn a 35% participating interest in the tenement through the expenditure of \$125,000 within 12 months (Stage 1 Farm-in);
- Following completion of the Stage 1 Farm-in, Segue can earn an additional 15% interest in the tenement (taking Segue's interest to 50%) through the expenditure of \$125,000 within 12 months (Stage 2 Farm-in);
- Following completion of the Stage 2 Farm-in, standard terms apply, including contributions in proportion to equity holdings, dilution and pre-emptive rights; and

If either Zeus or Segue's participating interest dilutes to less than 10% then that party's interest will convert to a 1% NSR royalty.

The farm-in interest at the end of the financial year was 35% to Segue and therefore financial statements of Zeus Resources Ltd reflect 65% ownership of the tenement. The financial statements do not reflect the agreement initial expenditure of \$30,000 to be spent on exploration during the financial year ended 30th June 2016 or subsequent funding to meet with government minimum required commitment spend or any excess thereof for the period ending 30th June 2017.

NOTE 19: EARNINGS PER SHARE	30-Jun-2017	30-Jun-2016
	\$	\$
Total comprehensive (loss) for the year	(1,336,688)	(2,206,987)
Number of shares on issue	180,150,000	180,150,000
Earnings per share		
Basic – per share	(0.007)	(0.012)
Diluted – per share	(0.007)	(0.012)

NOTES TO THE FINANCIAL STATEMENTS

Basic and dilutive earnings per share are equal because options on issue are considered to be anti-dilutive.

NOTE 20: EVENTS AFTER THE END OF THE REPORTING PERIOD

In August 2017 the Company entered into a new lease arrangement allowing for the principal place of business to relocate to office space in North Sydney. The annual lease commitment amount being \$35,880 gross subject to a 4% annual increase upon anniversary date. The Company is in the process of negotiating a deed of release from the office space in lease at 50 Pitt Street, Sydney. The commitment for payment of rent for 50 Pitt Street, Sydney terminated on 22nd August 2017.

There have been no matters or circumstances other than the above that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

NOTE 21: COMPANY DETAILS

The registered office of the Company is:

Level 10, 171 Clarence Street
Sydney NSW 2000

The principal place of business of the Company is:

Level 1, Suite 105
25-27 Berry Street
North Sydney NSW 2060

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 31 to 52 are in accordance with the *Corporations Act 2001* and *Australian Accounting Standards*.
2.
 - (a) comply with Accounting Standard AASB 101: *Presentation of Financial Statements* and Corporations Regulations 2001 and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company
3. In the Directors' opinion 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 and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to be 'J. Zhao', written over a light blue horizontal line.

Mr. Jiangang Zhao
Acting CEO and Director

Dated this 28th Day of September 2017

Zeus Resources Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zeus Resources Limited. (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

Key Audit Matters

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

CARRYING VALUE OF EXPLORATION AND EVALUATION ASSETS	
Area of focus	How our audit addressed it
<p>The Company has incurred exploration and evaluation costs under its Uranium tenements in Western Australia over a number of years. During the 2016 and 2017 financial years the Company has relinquished its rights to a number of tenements and taken impairments to the Statement of Profit and Loss in both 2016 and 2017.</p> <p>There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate to the remaining tenements and that capitalised costs exceed the fair value less selling cost.</p> <p>An impairment review is only required if an impairment trigger is identified. Due to the nature of the uranium industry, indicators of impairment could include:</p> <ul style="list-style-type: none"> — Significant decrease seen in global uranium prices; — Changes to exploration plans; — Loss of rights to tenements; — Changes in rights to tenements; — Changes to reserve estimates; — Costs of extraction and production; and — Changing market forces in relation to Uranium as a resource. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Challenged and tested the inputs into the impairment calculations, including tenement surrender rates and capitalized expenditures on tenements; — A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs; and — Review of the integrity of the tenement title status and total commitment value through the Department of Mines and Petroleum of the Government of Western Australia. <p>We assessed the adequacy of the Company's disclosures in respect of the carrying value of exploration and evaluation assets.</p>
GOING CONCERN	
Area of focus	How our audit addressed it
<p>The Company is in the early stages of its development and is still investing heavily in exploration.</p>	<p>Our audit procedures assessed whether there was a significant uncertainty in relation to the Company's ability to continue as a going concern. The appropriateness of the going concern</p>

The Company is heavily reliant on raising capital and other debt instruments to fund their research and development activities.

The directors have determined there is sufficient cash resources in place to allow the Company to pay their debts as and when they fall due from 12 months from the date of the financial statements.

assumption included an evaluation of the directors assessment in relation to:

- Cash flow requirements of the Company for at least twelve months from the date of this report;
- Forecast expenditure committed and what could be considered discretionary;
- Potential downside/upside scenarios and the resultant impact on available funding.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*

and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report 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 the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 27 of the directors' report for the year ended 30 June 2017.


In our opinion, the Remuneration Report of Zeus Resources Ltd., for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



William Buck
Chartered Accountants
ABN: 16 021 300 521



L. E. Tutt
Partner
Dated this 28th day of September, 2017

TENEMENT SCHEDULE

Project	Sub Project	Licence Number	State	Area (blocks)	Licence Expires	Comments
Lake Way	Kukububba Palaeochannel	E 53/1601	WA	22	14 Feb 18	
		E 53/1603	WA	8	14 Feb 18	
		E 53/1604	WA	34	14 Feb 18	
Yeelirrie South	Yeelirrie South	E 36/733	WA	-	26 Apr 21	100% Relinquished May 2017
Narnoo	Narnoo North	E 39/1683	WA	-	04 Sep 17	Title transferred 100% to Velo Resources Pty Ltd 18 May 2017
	Narnoo South	E 28/2097	WA	11	08 May 21	
Mortimer Hills	Gascoyne	E 09/1618	WA	62	15 May 21	Farm-out with Segue Ltd agreed.
		E 09/2147	WA	11		Licence approved 20 June 2017

CORPORATE GOVERNANCE STATEMENT

Annexure B

ASX Corporate Governance Council Principles and Recommendations

Verification Worksheet

Name of entity

ZEUS RESOURCES LIMITED

Financial year ended

30 JUNE 2017

Recommendation		The entity complied for the full period	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	The Company has established and disclosed the functions reserved to the board and those delegated to senior executives.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.2	The Company undertakes appropriate checks before appointing a person for election as a director, and provides securityholders with all material information relevant to a decision on electing a director.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.3	The Company has a written agreement with each director and senior executive setting out the terms of their appointment.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.4	The Company secretary of the listed Company is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.5	A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; b) disclose that policy or a summary of it; and disclose as at the end of each reporting period the measureable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
1.6	The Company should:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

CORPORATE GOVERNANCE STATEMENT

	<p>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		
1.7	<p>The Company should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input checked="" type="checkbox"/></p>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>2.1 The board should establish a nomination committee which:</p> <ul style="list-style-type: none"> • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director <p>and disclose</p> <ul style="list-style-type: none"> • the charter of the committee; • the members of the committee; and • the number of times the committee meet throughout the reporting period. <p>If a listed entity does not have a nomination committee, it should disclose the fact and processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input checked="" type="checkbox"/></p>
2.2	<p>A listed entity should disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve its membership.</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input checked="" type="checkbox"/></p>
2.3	<p>The Company has disclosed the names of the directors considered to be independent, interests, positions and associations that might cause doubts as to the</p>	<p>Yes</p> <p><input checked="" type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>

CORPORATE GOVERNANCE STATEMENT

	independence of a director and the length of service of each director.		
2.4	The majority of the board are independent Directors.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2.5	The chair is an independent director and is not exercising the role of chief executive officer.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2.6	The Company has a program for inducting new directors.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of the code.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board has established an audit committee which is structured so that it:</p> <ul style="list-style-type: none"> • has at least three members; • consists only of non-executive directors, a majority of whom are independent directors; • is chaired by an independent director who is not the Chairman <p>And has disclosed:</p> <ul style="list-style-type: none"> • the charter of the committee; • the qualifications of the committee; • the number of times the committee meets throughout the reporting period <p>If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.</p>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4.2	The Board has received from its CEO and CFO a declaration that in their opinion, the financial records have been properly maintained and comply with proper standards.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4.3	An AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1		Yes	No

CORPORATE GOVERNANCE STATEMENT

	The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclosed those policies or a summary of those policies.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	The listed Company has provided information about itself and its governance to investors via a website.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
6.2	The listed Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
6.3	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and has disclosed their policy or a summary of that policy.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
6.4	The listed Company has provided the security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board has established a risk committee, structured so that it:</p> <ul style="list-style-type: none"> • has at least three members • consists only of non-executive directors, a majority of whom are independent directors; • is chaired by an independent director who is not the Chairman. <p>And has disclosed:</p> <ul style="list-style-type: none"> • the charter of the committee; • members of the committee; • the number of times the committee meet throughout the reporting period. <p>If no committee satisfying the above exists, it should disclose the fact and the processes it uses to safeguard the integrity of its reporting.</p>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
7.2	The board has reviewed the Company's risk management framework at least annually and disclose whether such review has taken place.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
7.3	A listed entity should disclose if they have an internal audit function, how the function is structured and what role it performs. If the Company does not have an	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

CORPORATE GOVERNANCE STATEMENT

	internal audit function, the Company should disclose the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		
7.4	The Company has disclosed whether they have any material exposure to economic, environmental and social sustainability risks and, if they do, how they manage or intend to manage those risks.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The Board has established a remuneration committee, structured so that it:</p> <ul style="list-style-type: none"> • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director who is not the Chairman <p>And should disclose:</p> <ul style="list-style-type: none"> • the charter of the committee; • the members of the committee; • the number of times the committee meet throughout the reporting period. <p>If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.</p>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
8.2	The Company has disclosed their policies and practices regarding the remuneration of executive directors and other senior executives.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
8.3	<p>Companies which have an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> • have a policy on whether participants are permitted to enter into transactions (whether use the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and • disclose that policy or summary of it. 	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

The role and responsibilities of the Board of Directors is for the overall Corporate Governance of the Company and oversight of management, protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for the administration.

The Board is committed to maintaining high standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors support the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are partly consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When Zeus is not able to implement one of the Council's recommendations the Company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at **<http://www.asx.com.au>**

CORPORATE GOVERNANCE STATEMENT

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted Recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executives. This has been disclosed on the Company's website.

BOARD OF DIRECTORS – ROLE AND RESPONSIBILITIES

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- the resourcing, reviewing and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

ACCOUNTABILITY

The Company has complied with Recommendation 1.2 by undertaking background checks with regard to each director's character, experience and education prior to their nomination for election. Any material adverse information revealed by these checks is released to securityholders prior to the General Meeting at which they are able to be elected. When an individual is nominated to be a director, their curriculum vitae and their relevant professional history and qualifications is circulated to the securityholders of the Company.

The Company has complied with Recommendation 1.3 by giving its Directors letters of appointment and/or service agreements.

The Company has complied with Recommendation 1.4 by making the Company Secretary directly accountable to the Board on all matters to do with the proper functioning of the Board.

DIVERSITY

The Company does not comply with Recommendation 1.5. The Company has not found it necessary to establish a diversity policy or annually report on measurable objectives with respect to achieving gender diversity. The nature of the policy for a Company of this size is inappropriate. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.

PERFORMANCE OF THE BOARD

The Company does not comply with recommendation 1.6. The Company has not found it necessary to disclose the process for evaluating the performance of the Board and the Company's Directors individually.

However, it is the policy of the Board to ensure that the Directors of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and committees, there is on-going monitoring by the Chairman and the members of the Board.

The Chairman also speaks to Directors individually regarding their role as a Director.

ACCESS TO INFORMATION

Each Director has access to Board papers and all relevant documentation.

PERFORMANCE OF SENIOR EXECUTIVES

The Chief Executive Officer's key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board at the annual anniversary of the appointment of the CEO.

The Company has adopted Recommendation 1.7 of evaluating the performance of senior executives in accordance with the process described above with the appointment of the CEO.

The Board did not conduct a performance evaluation for the Chief Executive Officer in the financial year. The current Chief Executive Officer is an Acting Chief Executive Officer.

CORPORATE GOVERNANCE STATEMENT

Principle 2 – Structure the Board to add value

BOARD OF DIRECTORS - COMPOSITION, STRUCTURE AND PROCESS

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities.

BOARD NOMINATIONS

The Board has not followed Recommendation 2.1(a) as it has established a Remuneration and Nomination Committee Charter. The Board has not implemented a Remuneration and Nomination Committee due to the Company's small size and nature. However, the members of the Board communicated with each other on regular basis to address any issues which arose in this regard.

In compliance with Recommendation 2.1(b), the Board considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the *Corporations Act 2001* (Cth).

TERMS OF APPOINTMENT AS A DIRECTOR

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

During the financial year the Board implemented the functions listed below. Whilst the Company has not adopted Recommendation 2.4, the Board is effectively managing the functions normally expected of such a committee. The responsibilities assumed by the Board include:

- Board and senior executive functions;
- Board composition;
- criteria for nomination of Directors;
- selection and appointment of the Chairperson;
- selection and appointment of the Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee; and
- overseeing of Board and executive succession plans.

INDEPENDENT DIRECTORS

Due to the small size of the Company, the Board is made up of four Directors.

The Company has not adopted Recommendation 2.2, which states that a board skills matrix should be disclosed, nor has it adopted Recommendation 2.3, which states that the majority of the directors should be independent. Because of the small size and nature of the Company, the Company has appointed 1 independent Director on the Board. It is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

PERIOD OF OFFICE HELD BY EACH DIRECTOR

- Mr Gregory Clifton Hall since 18 August 2010
- Mr Jiangang Zhao since 25 February 2013
- Mr Shouyin Wang since 31 July 2015
- Mr Zhang Yong since 25 February 2013

INDEPENDENT DIRECTORS

The Company considers that as at 30 June 2017 Mr. Gregory Clifton Hall is classified as an Independent Director.

REGULAR ASSESSMENT OF INDEPENDENCE

An Independent Director, in the view of the Company, is a Non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company, or has been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

CHAIRPERSON AND MANAGING DIRECTOR

The Company does not follow Recommendation 2.5. The office of Chair during the reporting period was held by Mr Shouyin Wang, a nominee of ZIMC, the largest shareholder of Zeus.

The Chairperson leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The CEO is responsible and accountable to the Board for the Company's management. Mr Jiangang Zhao is currently Acting Chief Executive Officer of the Company. Mr Zhao was appointed as Acting CEO of the Company following the departure of Mr Peter Williamson in November 2013.

INDUCTION AND EDUCATION

The Company complies with Recommendation 2.6. The Company does have a policy to provide each new Director or officer with a copy of the following documents:

- Responsibilities of Department Policy;
- Board procedures, rules and responsibilities Policy;
- Salary and Performance Policy;
- Fixed Assets Management Policy;
- Financial Policy;
- Travel and Accommodation Policy;
- Employee Manual;
- Recruitment Policy;
- Delegated Authority of Limits
- Securities Trading Policy; and

CORPORATE GOVERNANCE STATEMENT

Principle 3 – Act Ethically and Responsibly

CODE OF CONDUCT AND ETHICAL STANDARDS

The Company has adopted recommendation 3.1 by establishing a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders, and by disclosing a summary of this code of conduct below. The Company is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

SHARE DEALINGS AND DISCLOSURES

The Company has adopted a Securities Trading Policy. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairperson and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

CONFLICT OF INTEREST

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Principle 4 – Safeguard integrity in financial reporting

AUDIT COMMITTEE

The Company has not complied with Recommendation 4.1(a) as it has not established an Audit Committee with a corresponding charter. The Audit compliance is managed by the full board of Zeus Resources. It has complied with Recommendation 4.1(b) by disclosing that the objective of the Board is to make recommendations and implement, among various matters, the adequacy of the external audit and compliance procedures. The Board evaluates from time to time the effectiveness of the financial statements prepared for the Board meetings and to ensure that an independent judgement is always exercised.

CEO AND CFO DECLARATIONS

The Company has adopted and complied with recommendation 4.2.

Due to the size of the management team, the Board has determined that the Chairperson and the Accountant are the appropriate persons to make the CEO and CFO declarations in respect of the year ended 30 June 2016, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

AUDITOR PRESENT AT ANNUAL GENERAL MEETING

The Company has complied with Recommendation 4.3. A representative of the Company's external auditor was present at the Company's AGM and will be available to answer questions from security holders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

The Company has not adopted Recommendation 5.1 by putting in place a continuous Disclosure Policy because of the size and nature of the Company.

CONTINUOUS DISCLOSURE TO THE ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities; and
- the announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in Zeus securities.

CORPORATE GOVERNANCE STATEMENT

Principle 6 – Respect the rights of shareholders

The Company has complied with Recommendation 6.1 by promoting active communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements are made available on the Company's website www.zeusresources.com and on the ASX website www.asx.com.au, under ASX code 'ZEU'.

COMMUNICATION TO SHAREHOLDERS

The Company does comply with Recommendation 6.2 and 6.3.

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Company provides all relevant and current information to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports;
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing; and
- Rules and other information that may be mailed to shareholders or made available through the Company's website.

The company has complied with Recommendation 6.4 by encouraging Shareholders to register for receipt of announcements and updates electronically.

Principle 7 - Recognise and manage risk

RISK COMMITTEE

The Company has not complied with Recommendation 7.1(a) as it has not established a Risk Committee with a corresponding charter.

The Company complies with Recommendation 7.1(b) by disclosing the processes it employs for overseeing the Company's risk management, being that the Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has complied with Recommendation 7.2 by conducting an annual risk assessment and discloses to the Company auditors the review of risk management and internal control systems.

The primary vehicle for managing corporate risks is regular oversight by the Board. The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company has systems in place to ensure that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

INTERNAL AUDIT FUNCTION

The Company has not complied with Recommendation 7.3(a) but does comply with recommendation 7.3(b). The Company's internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The board is of the belief that the size of the Company does not warrant the cost of appointing an internal auditor.

ECONOMIC, ENVIRONMENTAL AND SUSTAINABILITY RISKS

All material risks are announced to the market in accordance with the requirements of the ASX Listing Rules and otherwise.

Principle 8 – Remunerate fairly and responsibly

In response to Recommendation 8.1(a), the Board has not established a remuneration committee. The Board is directed by the Chairperson who operates as the Committee, due to the size and nature of the Company.

The Board regularly addressed issues that arose during the financial year.

REMUNERATION COMMITTEE CHARTER AND RESPONSIBILITIES

In accordance with Recommendation 8.1, in the absence of a remuneration committee, the Company discloses the following information concerning its policies and processes it employs for setting remuneration of directors and senior executives.

REMUNERATION POLICY

In response to Recommendation 8.2, the Company has established a Salary and Performance Policy along with a Recruitment Policy which operates in a similar fashion to a Remuneration and Nomination Committee charter. The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- Non-executive Directors' Remuneration;
- performance measurement policies and procedures;
- Administration of the Company's Diversity policy;
- Board evaluation and performance of Directors; and
- Issue and allotment of options to Directors and Senior Executives.

The Directors' remuneration is approved by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of Directors and statutory officers are disclosed in the Annual Report of the Company each year.

The Company has a policy structure to remunerate Directors differently based on a fixed and incentive component salary packages to reflect the short and long term objectives of the Company. Key aspect of the policy include the following:

CORPORATE GOVERNANCE STATEMENT

- the salary component of the Managing Director/CEO remuneration is made up of fixed remuneration and long term incentive;
- the salary component of Non-executive Directors is made up of fixed remuneration.
- the Company has not adopted Recommendation 8.4 as follows due to its size and nature:
- the Company discloses the name of Directors in the Remuneration Committee and the attendance of each Director to the Remuneration Committee meetings, within its Directors' Reports;
- the Company does not provide any schemes for retirement; and
- the Company has not made publicly available a summary of the Remuneration Committee Charter on the Company's website.

SECURITIES TRADING POLICY

In compliance with Recommendation 8.3, the Company has a securities trading policy that prohibits directors, officers and employees from entering into transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity based remuneration scheme.

The Company's securities trading policy is publically available on the ASX website.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30th June 2017:

(a) Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

Range	2017				2016			
	Securities	%	No. of holders	%	Securities	%	No. of holders	%
100,001 and Over	171,562,141	95.23	62	15.23	170,281,196	94.52	74	16.52
10,001 to 100,000	6,583,692	3.65	131	32.19	7,759,770	4.31	150	33.48
5,001 to 10,000	1,982,852	1.1	203	49.88	2,082,852	1.16	213	47.54
1,001 to 5,000	20,832	0.01	5	1.23	24,999	0.01	6	1.34
1 to 1,000	483	0	6	1.47	1,183	0	5	1.12
Total	180,150,000	100	407	100	180,150,000	100	448	100

(b) The names of the twenty largest holders of quoted securities are listed below:

Rank	Name	30-Jun-17	%IC	Net move	% move	%IC change	30-Jun-16	%IC
1	ZHENGYUAN INTERNATIONAL MINING CO LTD	57,650,000	32.00%	0	0%	0.00%	57,650,000	32.00%
2	VAST HONOUR GLOBAL LIMITED	57,534,500	31.94%	0	0%	0.00%	57,534,500	31.94%
3	MRS ANLAN CHEN	14,942,750	8.29%	14,942,750	0%	8.29%	0	0.00%
4	BARBARY COAST INVESTMENTS PTY LTD	13,217,201	7.34%	0	0%	0.00%	13,217,201	7.34%
5	M & K KORKIDAS PTY LTD	3,381,663	1.88%	867,000	34%	0.48%	2,514,663	1.40%
6	MR V BRIZZI & MRS RL BRIZZI	1,990,146	1.10%	0	0%	0.00%	1,990,146	1.10%
7	YARANDI INVESTMENTS PTY LTD	1,981,762	1.10%	-18,238	-1%	-0.01%	2,000,000	1.11%
8	JAMES ZADKO & TERRI ZADKO	1,643,609	0.91%	0	0%	0.00%	1,643,609	0.91%
9	ALLOWSIDE PTY LTD	1,431,941	0.79%	1,431,941	0%	0.79%		0.00%
10	MS KIA BOON TAY	1,083,500	0.60%	585,500	118%	0.33%	498,000	0.28%
11	JEFFREY POLOVICK	996,116	0.55%	0	0%	0.00%	996,116	0.55%
12	STEPHEN ROGER KING	979,437	0.54%	0	0%	0.00%	979,437	0.54%
13	MR ADAM BRUCE WEEDMAN	967,862	0.54%	76,111	9%	0.04%	891,751	0.50%
14	MR DIAN TANG	901,898	0.50%	901,898	0%	0.50%		0.00%
15	BNP PARIBAS NOMINEES PTY LTD	809,505	0.45%	809,505	0%	0.45%		0.00%
16	GA & AM LEAVER INVESTMENTS PTY LTD	688,000	0.38%	630,000	1086%	0.35%	58,000	0.03%
17	C MITCHELL & G MITCHELL	661,116	0.37%	0	0%	0.00%	661,116	0.37%
18	SOUTHAM INVESTMENTS 2003 PTY LTD	600,000	0.33%	0	0%	0.00%	600,000	0.33%
19	MR SYED MUSHLEH UDDIN	500,000	0.28%	200,000	67%	0.11%	300,000	0.17%
20	MICHAEL HICKEY	500,000	0.28%	0	0%	0.00%	500,000	0.28%
	Total	162,461,006					142,034,539	
	Balance of Registry	17,688,994					38,115,461	
	Grand Total	180,150,000					180,150,000	

Empty cells indicate that the holder was outside of the top 20 at the point specified in the report.

Data from OSCAR

SHAREHOLDER INFORMATION

(c) Substantial Shareholders

Substantial shareholders in the Company are:

Ordinary Shares

	Number Held	Percentage of Issued Shares
Zhengyuan International Mining Company Limited	57,650,000	32.00%
Vast Honour Global Limited	57,534,500	31.94%
Mrs Anlan Chen	1,4942,750	8.29%
Barbary Coast Investments Pty Ltd	13.217,201	7.34%

(d) Voting Rights

The voting rights attaching to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.