



24 May 2023

**PHASE 1 MAIDEN DRILLING PROGRAM
AT MORTIMER HILLS PROJECT TO TEST LITHIUM TARGETS**

HIGHLIGHTS

Program-of-Work (PoW) was approved for the Phase 1 drill program at Mortimer Hills Lithium Project, Gascoyne Region, Western Australia.

- A large number of outcropping pegmatites have now been identified and confirmed in the Pegmatite Creek Prospect area of the Mortimer Hills Project.
- An initial drilling program for about 1,700m is now planned for early June and will concentrate on drilling directly into the mapped pegmatites from surface. The pegmatites are centrally located in E09/2147 and are found similarly across the granite greenstone contact along the strike from the Yinnietharra Lithium Project (<https://deltalithium.com.au/our-projects/yinnetharra-lithium/>) developed by Delta Lithium Limited (ASX: DLI) to the northwest.
- The drilling service provider has been confirmed. The Aboriginal Heritage Desktop Assessment of the Mortimer Hills Project has been finalised.
- Drilling targets are within “Volta Corridor” (Figure 1) – a major lithium-bearing pegmatite belt in which DLI is developing and enlarging the Yinnietharra Lithium Project on our neighbouring tenement.
- A Program of Work (PoW) for Phase 2 drilling has also been lodged to cover follow-up drilling on the interpreted extent of the prospective lithium ground on E09/2147, closer to the growing DLI’s Yinnietharra Lithium Project.

Zeus Resources Ltd (ASX: ZEU) (“Zeus” or “the Company”) is pleased to announce that the Company has received the PoW approval to commence Phase 1 drilling at its Mortimer Hills Project approximately 130 km Northeast of Gascoyne Junction in Western Australia.

Zeus’ proposed Phase 1 RC drilling program will test mapped pegmatites in the Pooranoo Metamorphics along the contact with the Thirty Three Supersuite granite.

“There have been exciting exploration results recently in the Mortimer Hills Project area (Figure 1). Voltaic Strategic Resources Ltd (ASX: VSR) intercepted widths of up to 58 m of continuous pegmatite from the surface at its Andrada Prospect, Ti Tree Project (See VSR announcement dated 09 May 2023). This gives us confidence in the lithium potential of the area and our upcoming drilling program. The Company is aiming to commence Phase 1 drilling in early June 2023.” said Mr Jian (Daniel) Liu, Executive Director of Zeus.

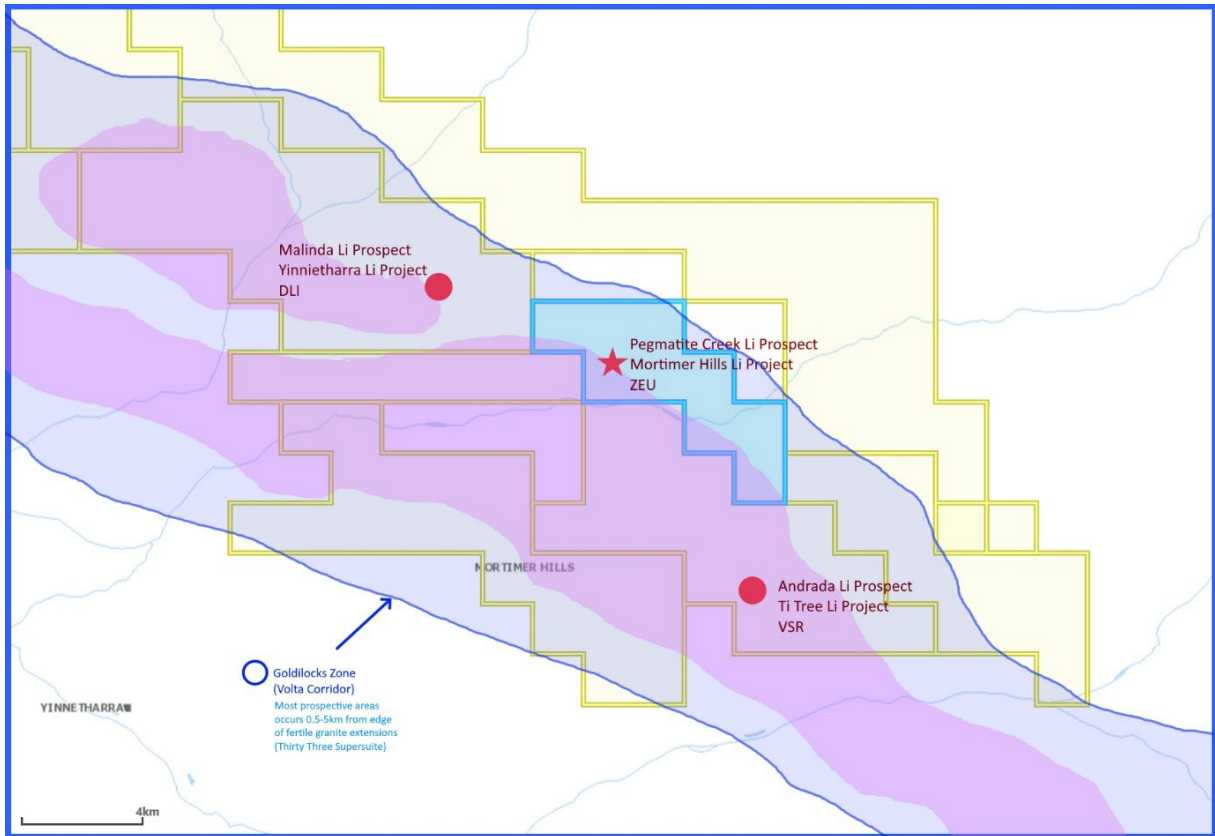


Figure 1: Locations of Mortimer Hills Project (ZEU), Yinnietharra Li Project (DLI) and Ti Tree Project (VSR)

MORTIMER HILLS LITHIUM PROJECT (E09/2147, E09/2791 & E09/2798)

GEOLOGY

The Zeus tenements lie within the heart of the Proterozoic Gascoyne Province, positioned more broadly within the Capricorn Orogen — a major zone of tectonism formed between the Archean Yilgarn and Pilbara cratons. The Mortimer Hills Project sits along the northern edge of the Mutherbukin Zone, along the Ti Tree Syncline and dominated by the Thirty-Three supersuite, a belt of plutons comprised primarily of foliated metamonzogranite, monzogranite and granodiorite in contact with the Pooranoo Metamorphics.

Rare-earth and lithium bearing pegmatites have been identified on the Mortimer Hill Project and in particular at the nearby Yinnietharra Lithium Project being developed by DLI, in the vicinity of the Thirty Three supersuite granites in the area (Figure 2).

DLI's Yinnietharra Project immediately to the west of Zeus' E09/2147 tenement has identified the Thirty-Three Supersuite as a fertile parent granitoid with the potential to generate LCT Pegmatite swarms up to 500 to 3,000 m out from the parent granitoid.

The Thirty-Three Supersuite and Morrissey Metamorphic Suite extend east-southeast from the Yinnietharra Project (DLI) into Zeus' tenement. Zeus therefore considers that E09/2147 has substantial potential for host-related LCT Pegmatite mineralisation. Extensive tourmaline alteration

of the country-rock found within the tenement also suggests the Thirty-Three Supersuite is highly fractionated and has the potential to generate LCT Pegmatites.

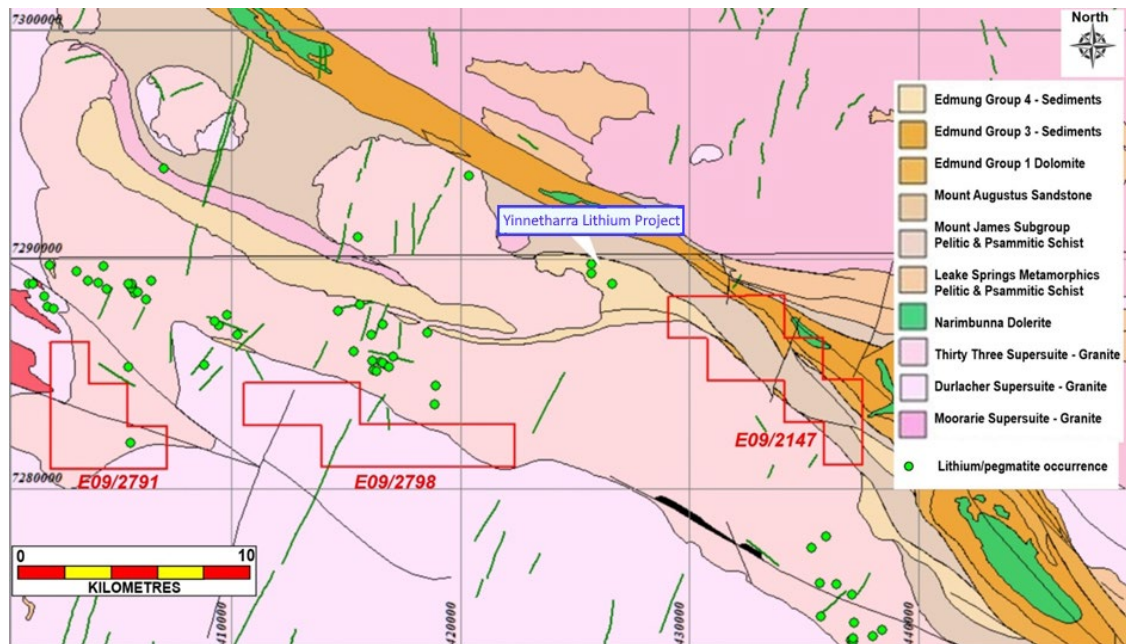


Figure 2: Regional geology at Mortimer Hills.

EXPLORATION - PEGMATITE CREEK PROSPECT

At the Pegmatite Creek Prospect numerous pegmatites have been exposed by erosion along the flanks of the intrusive granite. Recent winter rainfalls fortuitously increased the surface exposure of the pegmatite outcrops.

Subcropping deformed pegmatites, similar in character to those described at DLI's Yinnietharra Project, were first identified on Zeus' E09/2147 tenement in Q3 2021 (See Zeus ASX Announcement, 1 October 2021) with subsequent mapping locating the Pegmatite Creek Prospect in December 2021 (See Zeus ASX Announcement, 17 December 2021).

Fieldwork during Q2 2022 concentrated on targeting the prospective zone extending outwards from the Thirty-Three Supersuite Granitoids.

The prospective zone extending outwards from the margins of the prospective granites into the host metasediments is largely obscured by an extensive blanket of quartz sand sheetwash (Figure 3) derived from weathering of the intrusive granitoid.

Mapping indicates the core of the intrusive is composed of K-feldspar-quartz-muscovite/biotite granite surrounded by a siliceous outer carapace of quartz-albite-tourmaline granite containing extensively developed pegmatites and quartz-tourmaline veining.

A 50-200 m wide (narrowing along strike to the southeast) transitional margin contains interleaved quartz veins, quartzose pegmatites, tourmaline-rich zones and migmatized biotite-cordierite schists. The contact metamorphic aureole, in which the regional chlorite-sericite-garnet schists are

metamorphosed to biotite-cordierite schists, extends outwards for approximately 500 m from the parent granite.



Figure 3: Extensive quartz sheetwash blanket covering the metamorphosed contact between the vegetated Thirty-Three Supersuite granitoids (RHS) and metasedimentary country rock. Arrow pointing to the location of the Pegmatite Creek prospect.

Individual pegmatites (Figure 4) and pegmatite swarms (Figure 5) are observed intruding along the dominant northwest-southeast regional metamorphic fabric. Evidence of zonation has been observed within larger pegmatites and some pegmatites appear to be recrystallised and sheared and boudinaged by post-intrusion deformation.



Figure 4: Pale-coloured boudinaged pegmatite intruding dark grey biotite-cordierite schists on the margins of the parent granite (hillside in background)



Figure 5: Pegmatite swarm (pale coloured) intruding biotite-cordierite schists/hornfels (dark coloured) developed on the margins of Thirty-Three Supersuite Granite (hillside in background) Arrows highlighting individual pegmatites.

An airborne drone photogrammetry survey was undertaken in late September 2022. The survey covered ~12km² targeting the prospective zone for LCT pegmatites along the margin of the Thirty Three Supersuite in the southern part of the E09/2147 licence.

The results of the very high-resolution survey are definitive. Figure 6 shows examples of the efficacy of the method whereby mapped pegmatites (“Pegmatite Creek Prospect”) are clearly imaged by very high-resolution imaging.

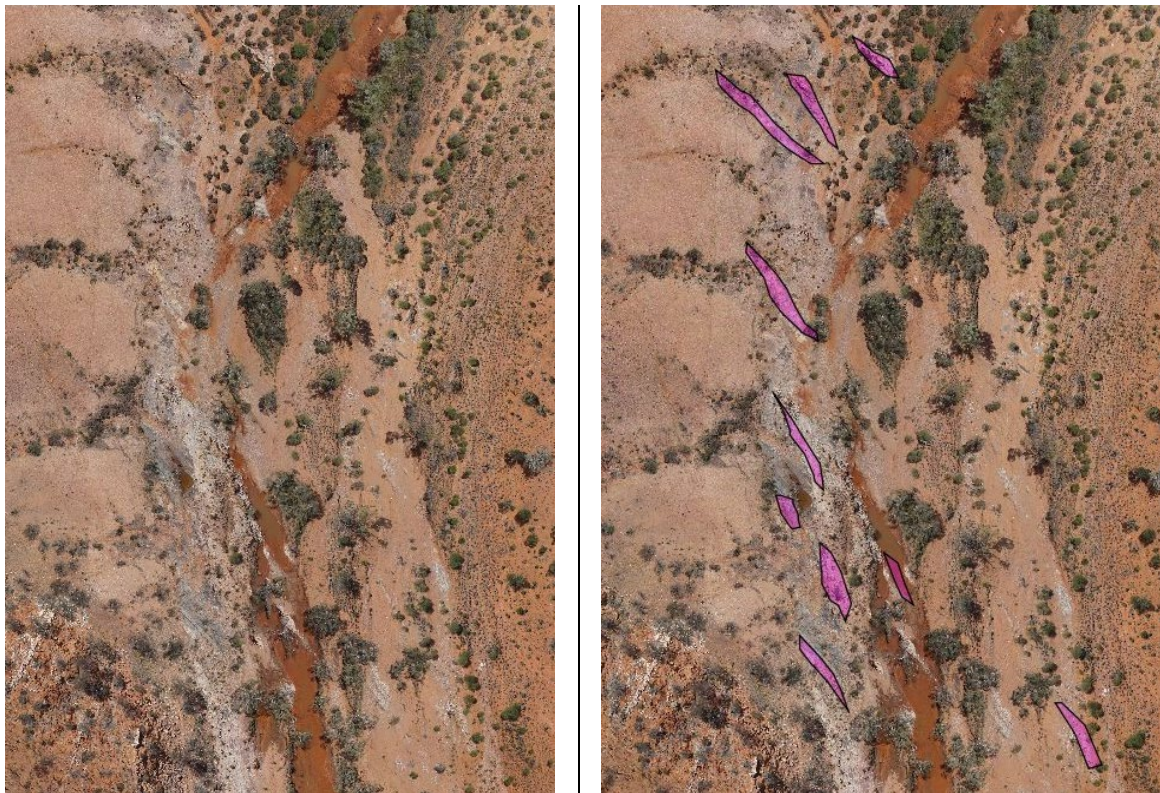


Figure 6. High-resolution photogrammetry (left) at Pegmatite Creek Prospect. Mapped pegmatites (right)

During March 2023, the Company geologists carried out a field trip to confirm earlier mapping of pegmatites, take selected rockchip, soil and stream sediment samples for chemical analysis and to plan access for the planned RC drilling program. A large number of outcropping pegmatites are confirmed in the Pegmatite Creek Prospect area during this field trip (Figure 7).



Figure 7: Pegmatites in the Pegmatites Creek Prospect Area.

PLANNED DRILLING PROGRAM

PHASE 1 DRILLING

The Company is aiming to commence the Phase 1 drilling in early June 2023. Zeus intends to progressively RC drill on an appropriate grid, along strike of the Yinnietharra Lithium Project (**DLI**) pegmatites, along the contact between the Thirty Three supersuite granites and the Pooranoo Metamorphics.

The initial drilling for about 1,700 m will concentrate directly on the mapped pegmatites centrally located in E09/2147 and across the granite greenstone contact in the northwest of E09/2147 close to DLI's Yinnietharra tenement (Figure 8).

All the drilling will be Reverse Circulation (RC) with the holes inclined at 60 degrees to the west. The hole depths and spacing along the section lines is designed to have 100% horizontal coverage such that the base of a hole is directly below the collar of the next hole along the section line. This configuration ensures that any vertical pegmatites or dipping towards the east (as indicated by the field mapping) will be intersected by this drilling.

The Company will also carry out a surface geochemical sampling campaign during the drilling program in June 2023 to better determine the drill hole locations for the further planned Phase 2 drilling.

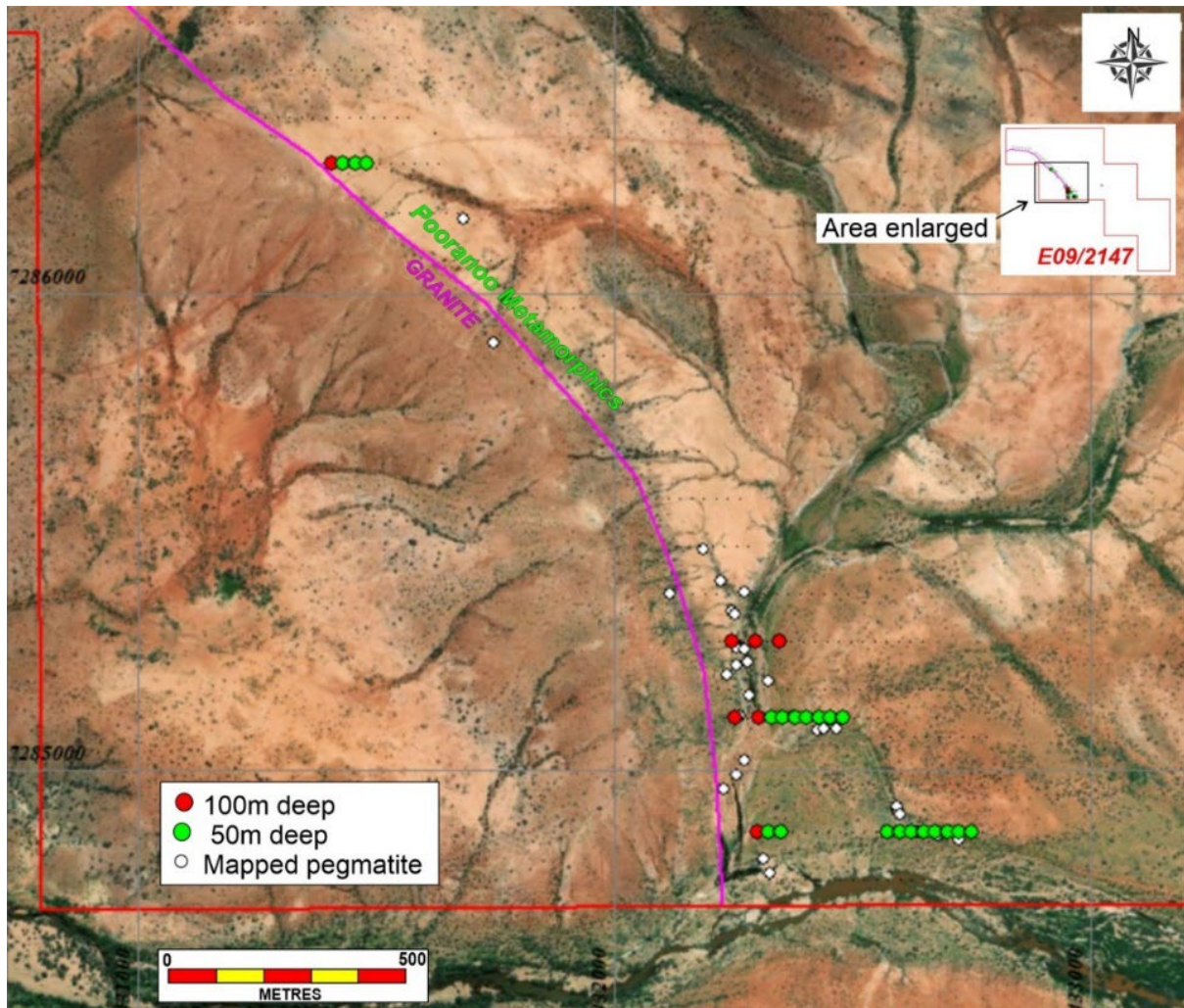


Figure 8: Planned RC drilling at Mortimer Hills Project – Phase 1

PHASE 2 DRILLING

Phase 2 drilling will cover the area closer to the Yinnietharra Lithium Project (DLI) (Figure 9). The PoW for Phase 2 drilling has been lodged on 13 May 2023.

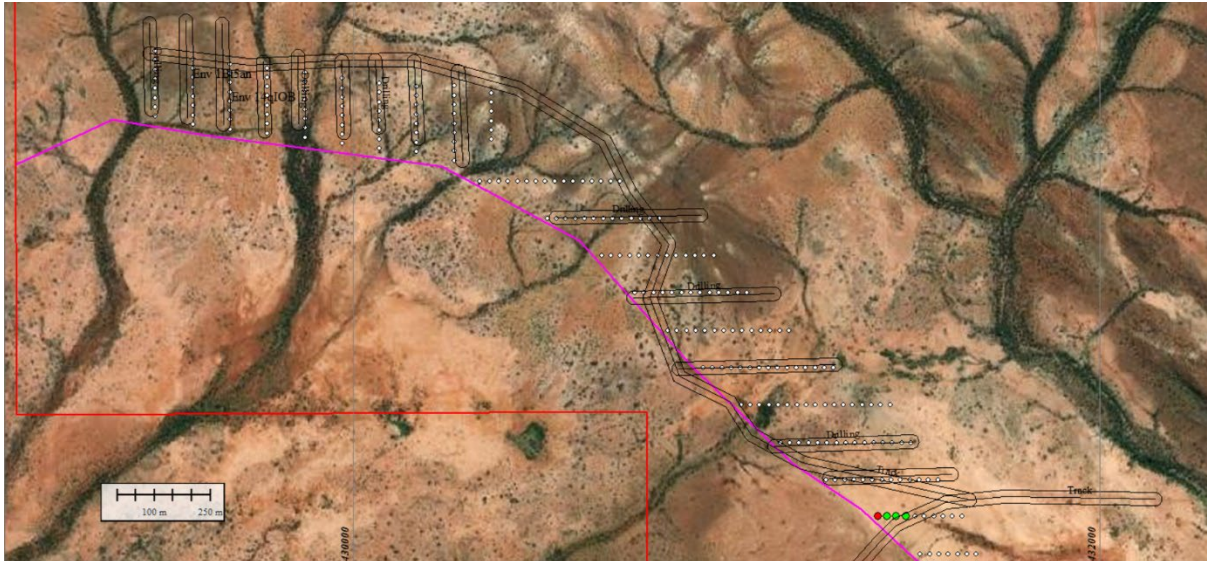


Figure 9: Planned RC drilling at Mortimer Hills Project – Phase 2

WILUNA PROJECT (E53/1603 & E53/2197)

Air-core drilling in September 2022 identified a free-flowing aquifer containing sulphate of potash brine flowing in a basal sand paleochannel approximately 3.5 km from the northerly margin of Salt Lake Potash’s Lake Way SOP deposit. This aquifer is suspected to be part of the underground feeder system for Lake Way’s SOP deposit.

Geological exploration is continuing at the Wiluna Project, located near the township of Wiluna approximately 540 km north of Kalgoorlie, next to the Lake Way Project (previously owned by Salt Lake Potash Limited (**ASX: SO4**) (<https://so4.com.au/projects/lake-way/>) and recently acquired by Czech Investment Company Sev.en Global Investments.

An objection was lodged by a third party in 2021 in relation to the application E53/2197. The matter has been heard in the Warden’s Court (Meekatharra) on 17 May 2023, and has been adjourned to 19 July 2023, at the request of the Applicant.

Further exploration and activities including a detailed gravity survey and drilling are subject to the granting of the E53/2197 Exploration Licence.

BLUE HILLS PROJECT (E59/2804 & E59/2806)

Zeus has applied for two tenements (E59/2804 and E59/2806) approximately 60 km west of Paynes Find. These tenements cover approximately 90 km² southern end of the Warriedar Fold Belt along the contact between greenstones and granitic rocks that are considered to be highly prospective for lithium and REE bearing pegmatites, gold, and base metals.

An objection of E59/2804 Application was lodged by a third party in April 2023, and the matter has been listed for Mention Hearing on 24 August 2023 at the Mount Magnet Wardens Court.

NARNOO PROJECT (E28/2097)

The Narnoo Project comprises one exploration Licence, E28/2097. Based on the recommendations from the Company's tenement manager with regards to latest changes in the legislation, the Company is not able to actively explore for uranium without certain Federal Government approval. The Board has decided to relinquish this tenement, and the Company has lodged the Surrender Form on 5 May 2023.

Competent Person Statement:

The information in this announcement that relates to the Exploration Results is based on information compiled by Mr Phil Jones, who is a Member of the Australian Institute of Geologists (AIG) and Australian Institute of Mining and Metallurgy (AusIMM). Mr Jones is an independent geological consultancy. Mr Jones does not nor has had previously, any material interest in Zeus or the mineral properties in which Zeus has an interest. Phil Jones's relationship with Zeus is solely one of professional association between client and independent consultant. Mr Jones has experience in exploration, prospect evaluation, project development, open pit and underground mining and management roles. Mr Jones has worked in a wide variety of commodities including gold, lithium, iron ore, phosphate, copper, lead, zinc, silver, nickel and silica in Australia, China, Kyrgyzstan, Indonesia, New Zealand, Malaysia, Papua New Guinea, and Africa. Mr Jones 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 Jones consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

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This announcement was authorised for release to the ASX by the Board of the Company.

ENDS

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