



**18 July 2023**

Yulia Gurdina  
Senior Adviser, Listings Compliance (Sydney)  
20 Bridge Street, Sydney, NSW 2000

**By email only**

Dear Yulia,

**Zeus Resources Limited – ASX Query**

We refer to your letter dated 10 July 2023 requesting information from Zeus Resources Limited (the '**Company**') (ASX:ZEU), further to the Company's response dated and released to the market on 6 July 2023 (the '**Response**') to ASX's letter dated 3 July 2023. We further refer to the article in the Australian Financial Review first published on 6 July 2023, (the '**Article**') which makes reference to the Response.

The Company notes that the Article was published without its consent and it did not authorise any communication with the AFR or the comments in the Article. The Company understands that the Article was based on an interview with Mr Colin Mackay, a former director of the Company and that certain statements in the Article have been misconstrued or taken out of context.

The Company wishes to correct this information, as further explained in the following responses to your questions raised.

1. Given Mr Mackay's statement that "I didn't think I have to declare every single buy", please confirm what arrangements ZEU has in place with its directors to ensure that they notify ZEU of all their trades in accordance with Listing Rule 3.19B and how these arrangements are enforced by ZEU.

The ASX's reference is to a statement included in the Article and it is not clear whether Mr Mackay made the statement. Therefore, it should not be relied upon with any certainty.

The obligations of the directors in relation to the notification of trades in the Company's securities are set out in the Company's Securities Trading Policy ('**Trading Policy**'). The Trading Policy sets out a procedure which ensures notification of trades in accordance with Listing Rules.



All of the directors are aware of the Trading Policy and a copy of the Trading Policy is available at the Company's website. In addition, each director is provided with a copy of the Trading Policy and is required to comply with the Trading Policy as part of their terms of engagement or service as a director of the Company.

2. Please provide full details of all transactions in ZEU's securities undertaken by Mr Mackay since his appointment to the board.

Mr Mackay's transactions in ZEU's securities since his appointment as a director of the Company are as follows:

Date	Transaction	No. and Class of Securities
7 February 2023	Allotment	11,537,145 shares 11,537,145 options
3 March 2023	On-market purchase	25,710 shares
9 March 2023	On-market purchase	462,855 options
20 June 2023	On-market purchase	1,000,000 shares
23 June 2023	On-market purchase	100,000 shares

For each transaction, please confirm that:

- 2.1 Mr Mackay sought and obtained written clearance for the transaction in accordance with ZEU's Trading Policy. Please provide ASX with copies of each written clearance document.

Please refer to the Company's answer to question 2 of the Response. Mr Mackay did not formally notify the Company's chairman of his intention to purchase securities or obtain clearance. This was an inadvertent breach of the Trading Policy by Mr Mackay.

The Company notes that the transactions on 20 June 2023 and 23 June 2023 were not during a trading blackout period under the terms of the Trading Policy.

- 2.2 The transaction was notified to the market in compliance with Listing Rule 3.19A.2.

All transactions have been notified to the market. Please refer to Appendices 3Y lodged with ASX on 9 March 2023, 10 March 2023, 13 March 2023, 20 June 2023 and 27 June 2023. The Company notes that in respect of the announcement lodged with ASX on 9 March 2023, a corrective Appendix 3X was also released for Mr Mackay and an explanation was provided regarding the late lodgement of an Appendix 3Y for Mr Mackay. Otherwise, all transactions have been notified to the market in compliance with Listing Rule 3.19A.2.

3. Please confirm that ZEU was not in possession of any confidential materially price sensitive information on each date when Mr Mackay traded in breach of ZEU's Trading Policy.

Confirmed.



4. In light of clause 16 of the Trading Policy, please confirm what steps ZEU has taken to ensure “strict compliance” with the Trading Policy, including specific details of any disciplinary actions (financial or otherwise) taken by ZEU in relation to Mr Mackay’s breach of the Trading Policy.

The Company refers to its answer to question 2 of the Response. As noted, Mr Mackay advised the Board of the breach and apologised for the oversight. The Board is satisfied that Mr Mackay’s actions were due to a genuine oversight and an honest mistake.

As announced to ASX on 10 July 2023, Mr Mackay has resigned as a director of the Company for personal reasons.

5. The comments made in the Article suggest that the failure to receive permission to trade under the Trading Policy was due to a language barrier between the Chair, Mr Ding Xu, and other personnel at ZEU and that a translator is not always available. This gives ASX concerns about ZEU’s ability to comply with its continuous disclosure obligations, noting the important role that Mr Xu of ZEU plays under ZEU’s Continuous Disclosure Policy.

The Company wishes to clarify that all directors of the Company are able to converse in English and therefore there is no language barrier.

In any event, correspondence between the officers of the Company and Chinese native speaking directors are translated from Chinese into English as a matter of good practice. Please refer to the responses to questions 6 and 7.

Please explain:

- 5.1 What arrangements ZEU has in place to comply with Listing Rule 3.1 in circumstances where Mr Xu’s input is required to finalise a continuous disclosure announcement.

All draft market announcements are circulated by the Company Secretary via email to the Board for review and approval prior to release. The Company’s Chairman, Mr Xu can understand and provide comments on all market announcements which are drafted in English. If any clarification is required in relation to specific contents of a draft announcement, Mr Liu is always available to provide an English translation.



**5.2 What arrangements ZEU has in place to ensure continuous disclosure announcements are released promptly and without delay in circumstances where Board input or approval is required.**

The Company complies with its internal notification and decision-making process in relation to market announcements as set out in the Company's Continuous Disclosure Policy.

All draft market announcements are circulated by the Company Secretary via email to the Board for review and approval prior to release. The Company notes that the Chinese resident directors are in the same time zone as Perth, Australia. All directors of the Company are readily available and there is no delay in receiving or sending correspondence. In practice all draft announcements are reviewed same-day to ensure that the Company is able to release announcements promptly and without delay.

The Company is satisfied that its practices in relation to the approval and disclosure of announcements ensures compliance with its continuous disclosure obligations under the Listing Rules.

**5.3 What arrangements ZEU has in place to ensure that the Board is kept properly informed of, and can provide appropriate input into, matters that may require disclosure under Listing Rule 3.1.**

Please refer to the response question 5.2.

The Company further notes that in accordance with its Continuous Disclosure Policy, the Company's directors and senior management must notify the Company Secretary as soon as they become aware of material information requiring release to the market. The Company Secretary reviews the information and consults with the Board to ensure that the directors are kept properly informed of and can provide appropriate input into, matters that require disclosure under Listing Rule 3.1.

**5.4 Why the matters in 5.1 – 5.3 above are not addressed in ZEU's Continuous Disclosure Policy or Corporate Governance Statement.**

As referred to in the responses to questions 5.1 – 5.3, the Company's Continuous Disclosure Policy does set out a procedure in relation to the internal notification and decision-making process concerning its continuous disclosure obligations to ensure compliance. Under the Company's Board Charter, there is a requirement that sufficient information is provided to all directors to assist the directors in understanding the progress of the Company's business.

Further, the Company's Corporate Governance Statement confirms that the Company translates key corporate documents into Chinese, consistent with the responses above.



Accordingly, the Company considers that the matters in questions 5.1 to 5.3 above are addressed in the Company's Continuous Disclosure Policy and Corporate Governance Statement.

6. ASX's records indicate that you are the person responsible for communicating with ASX in relation to Listing Rule matters for the purposes of Listing Rule 12.6. Can you please confirm that you speak both English and the language spoken by the Chair, Mr Xu? If not, what arrangements does ZEU have in place to ensure that you can communicate with Mr Xu when his input is required on a Listing Rule matter, including urgent continuous disclosure matters?

The Company confirms that Mr Daniel Liu, Executive Director, Company Secretary and ASX Listing Rule 12.6 Communications Person, can speak both English and Chinese.

As explained in the response to question 5, Mr Xu can converse in English however if any clarification is required in relation to specific contents of a draft announcement, Mr Liu is always available to provide an English translation.

7. ASX observes that the current directors were on the board at the time when ZEU released its Corporate Governance Statement for the financial year ended 30 June 2022, including the Chair. Please explain why Recommendation 9.1 was not addressed in the Corporate Governance Statement for that year?

*Recommendation 9.1 states: a 'listed entity with a director who does not speak the language in which a board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents'.*

As referred to in the responses to question 5, all directors of the Company can converse in English. It is noted that the native Chinese speaking directors may speak Chinese at times during Board meetings, at which point Mr Liu as Company Secretary provides an English translation to ensure effective communication. All Board meeting minutes are recorded in English and include a Chinese translation for completeness. Accordingly, at the time, the Company did not consider that it needed to specifically address Recommendation 9.1 during the reporting period (FY22). The Company considered Recommendation 9.1 again at the time it was seeking reinstatement to quotation on ASX and refers to its response to question 8.1 in that regard.

8. ASX notes that in ZEU's Corporate Governance Statement released on 7 February 2023, ZEU stated that it 'partially complied' with Recommendation 9.1, but did not provide an explanation of why it did not fully comply. Can ZEU please provide full details of:

8.1 The reasons why ZEU believed that it did not fully comply with Recommendation 9.1.



The Company disclosed that it was only 'partially' complying with Recommendation 9.1 because whilst the Company has in place appropriate processes in relation to communications with the native Chinese speaking directors, these may not be fully elaborated on in the Board Charter.

As noted in responses to other questions, all directors of the Company can converse in English, however if any clarification is required in relation to specific contents of a draft announcement, Mr Liu is always available to provide an English translation.

The Company is satisfied that it has in place processes to ensure each director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

8.2 An explanation of why it did not fully comply with Recommendation 9.1.

Please refer to the response to question 8.1.

9. ASX notes that under section 201A(2) of the Corporations Act 2001 (Cth), an Australian public company must have at least 3 directors and at least 2 directors must ordinarily reside in Australia. Can ZEU please confirm where each of its directors ordinarily reside and that it currently complies with section 201A(2) of the Corporations Act 2001 (Cth).

The Company confirms that Mr Xu and Mr Wu reside in China and Mr Liu and Mr Zhang reside in Australia. Accordingly, the Company is complying with section 201A(2) of the Corporations Act.

10. Please confirm that ZEU is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is complying with the Listing Rules, and in particular, Listing Rule 3.1.

11. Please confirm that ZEU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZEU with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to these questions have been authorised and approved for release by the Board.



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Yours faithfully

*Jian Liu*

Jian Liu

**Company Secretary**



10 July 2023

Reference: ODIN76145

Mr Jian Liu  
Company Secretary  
Zeus Resources Limited  
Level 12 225 George Street  
SYDNEY NSW 2000

By email

Dear Mr Liu

**Zeus Resources Limited ('ZEU')**

ASX refers to the following:

- A. ZEU's response to ASX's letter dated 3 July 2023 and released on the ASX Market Announcements Platform ('MAP') on 6 July 2023 (the '**Response**'). The Response acknowledged that Mr Colin Mackay, a director of ZEU, had breached ZEU's Securities Trading Policy<sup>1</sup> ('**Trading Policy**') by buying shares during a Blackout Period without written consent from the Chairperson of ZEU. The Response disclosed that (relevantly):

*Due to an oversight regarding the time of release of the Company's half year results, Mr Mackay did not comprehend that a blackout period was in place under the terms of the Policy.*

- B. An article in the Australian Financial Review titled "'ASX making a scene': director sorry for blackout trades"<sup>2</sup> first published online on 8:08PM AEST on 6 July 2023 (the '**Article**') which stated:

*Mr Mackay also said he had not sought approval from Zeus chairman Ding Xu just before the trade.*

*"I can't speak to the chairman because he's Chinese," he said. "They don't speak English. So normally, we have a translator."*

*Mr Mackay said he had spoken to another executive who speaks both languages the day of the purchases and "it was ok". He said he had also earlier flagged to the chairman he would buy more shares at some stage.*

*"I didn't think I have to declare every single buy. But I have done [so] since," he said.*

- C. Section 16 of the Trading Policy, which provides:

*Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.*

- D. Section 10.1 of Guidance Note 27: *Trading Policies*, which states:

*"Implicit in the requirement for an entity to have a trading policy is that it should also have appropriate measures to ensure that its KMP are aware of, and understand, their obligations under the policy and to monitor and enforce compliance with the policy. For it not to do so would be a failure to comply with its obligation under Listing Rule 19.2 to honour the spirit, intention and purpose of the Listing Rules."*

<sup>1</sup> [https://www.zeusresources.com/wp-content/uploads/2021/09/securitytrading\\_policy.pdf](https://www.zeusresources.com/wp-content/uploads/2021/09/securitytrading_policy.pdf)

<sup>2</sup> <https://www.afr.com/companies/mining/asx-making-a-scene-director-sorry-for-blackout-trades-20230706-p5dm8o>



- E. Recommendation 9.1 of the 4<sup>th</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, which states:

*A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.*

- F. ZEU's Appendix 4G and Corporate Governance Statement, current as at 7 February 2023, which disclosed that ZEU was "partially complying" with Recommendation 9.1 and states that:

*Where the Company has a non-English speaking Director (which it currently has), the Company will translate all key corporate documents into Chinese for the benefit of that Director. While this process has not been disclosed in the Company's Board Charter, the Company is required under the Board Charter to provide sufficient information to all directors which may help the directors to understand the progress of the Company's business, which will include information in a language which the Director will understand.*

- G. ZEU's Continuous Disclosure Policy<sup>3</sup> which states (relevantly):

***Roles and responsibilities in the disclosure process***

*The Board has authorised the CEO and the Company Secretary with the following responsibilities:*

- 1. monitoring Zeus Resources' compliance with continuous disclosure requirements,*
- 2. overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and public;*
- 3. educating staff about this Continuous Disclosure Policy and raising awareness of the principles underlying continuous disclosure.*

*The Company Secretary will also be responsible for all communications with the ASX.*

***Internal notification and decision-making concerning the disclosure obligation***

*The following procedures will apply to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:*

- 1. directors and senior management must notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (material information);*
- 2. the Company Secretary will:*
  - review the material information reported by senior management;*
  - determine, in consultation with the CEO, in their absence, the Chairperson, whether any of the material information is required to be disclosed to the ASX; and*
  - co-ordinate the actual form of disclosure with the relevant person.*

**Request for information**

Having regard to the above, ASX requires ZEU to respond separately to each of the following questions and requests for information:

Information relating to potential breaches of Listing Rules 3.19A, 3.19B and 12.12.

<sup>3</sup> [https://www.zeusresources.com/wp-content/uploads/2021/09/continuousdisclosure\\_policy.pdf](https://www.zeusresources.com/wp-content/uploads/2021/09/continuousdisclosure_policy.pdf)

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1. Given Mr Mackay's statement that "I didn't think I have to declare every single buy", please confirm what arrangements ZEU has in place with its directors to ensure that they notify ZEU of all their trades in accordance with Listing Rule 3.19B and how these arrangements are enforced by ZEU.
  2. Please provide full details of all transactions in ZEU's securities undertaken by Mr Mackay since his appointment to the board. For each transaction, please confirm that:
    - 2.1 Mr Mackay sought and obtained written clearance for the transaction in accordance with ZEU's Trading Policy. Please provide ASX with copies of each written clearance document.
    - 2.2 The transaction was notified to the market in compliance with Listing Rule 3.19A.2.
  3. Please confirm that ZEU was not in possession of any confidential materially price sensitive information on each date when Mr Mackay traded in breach of ZEU's Trading Policy.
  4. In light of clause 16 of the Trading Policy, please confirm what steps ZEU has taken to ensure "strict compliance" with the Trading Policy, including specific details of any disciplinary actions (financial or otherwise) taken by ZEU in relation to Mr Mackay's breach of the Trading Policy.

Information relating to ZEU's compliance with Listing Rule 3.1

5. The comments made in the Article suggest that the failure to receive permission to trade under the Trading Policy was due to a language barrier between the Chair, Mr Ding Xu, and other personnel at ZEU and that a translator is not always available. This gives ASX concerns about ZEU's ability to comply with its continuous disclosure obligations, noting the important role that Mr Xu of ZEU plays under ZEU's Continuous Disclosure Policy. Please explain:
  - 5.1 What arrangements ZEU has in place to comply with Listing Rule 3.1 in circumstances where Mr Xu's input is required to finalise a continuous disclosure announcement.
  - 5.2 What arrangements ZEU has in place to ensure continuous disclosure announcements are released promptly and without delay in circumstances where Board input or approval is required.
  - 5.3 What arrangements ZEU has in place to ensure that the Board is kept properly informed of, and can provide appropriate input into, matters that may require disclosure under Listing Rule 3.1.
  - 5.4 Why the matters in 5.1 – 5.3 above are not addressed in ZEU's Continuous Disclosure Policy or Corporate Governance Statement.
6. ASX's records indicate that you are the person responsible for communicating with ASX in relation to Listing Rule matters for the purposes of Listing Rule 12.6. Can you please confirm that you speak both English and the language spoken by the Chair, Mr Xu? If not, what arrangements does ZEU have in place to ensure that you can communicate with Mr Xu when his input is required on a Listing Rule matter, including urgent continuous disclosure matters?

Information relating to ZEU's compliance with Listing Rule 4.10.3

7. ASX observes that the current directors were on the board at the time when ZEU released its Corporate Governance Statement for the financial year ended 30 June 2022, including the Chair. Please explain why Recommendation 9.1 was not addressed in the Corporate Governance Statement for that year?
8. ASX notes that in ZEU's Corporate Governance Statement released on 7 February 2023, ZEU stated that it 'partially complied' with Recommendation 9.1, but did not provide an explanation of why it did not fully comply. Can ZEU please provide full details of:
  - 8.1 The reasons why ZEU believed that it did not fully comply with Recommendation 9.1.
  - 8.2 An explanation of why it did not fully comply with Recommendation 9.1.

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ASX notes that it is likely that ASX will require ZEU to release an updated version of its Corporate Governance Statement that addresses these issues and any other issues identified by ASX.

General information in relation to ZEU's compliance with the law and Listing Rules

9. ASX notes that under section 201A(2) of the *Corporations Act 2001* (Cth), an Australian public company must have at least 3 directors and at least 2 directors must ordinarily reside in Australia. Can ZEU please confirm where each of its directors ordinarily reside and that it currently complies with section 201A(2) of the *Corporations Act 2001* (Cth).
10. Please confirm that ZEU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
11. Please confirm that ZEU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZEU with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEST on Tuesday, 18 July 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ZEU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ZEU to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

**Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ZEU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

**Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ZEU's securities under Listing Rule 17.3.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to ZEU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ZEU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

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**Yulia Gurdina**  
Senior Adviser, Listings Compliance

CC: Maria Clemente, Boardroom