



Zeus Resources Limited

INTERIM REPORT For the half-year ended 31 December 2014



*The information contained in this report is to be read
in conjunction with Zeus Resources Limited's 2014
annual report and announcements to the market
Zeus Resources released during the half-year period
ending 31 December 2014*



CORPORATE DIRECTORY

Directors

Chuanxi Ding - Chairperson
Jiangang Zhao - Acting CEO and Director
Gregory Clifton Hall - Non-executive Director
Yong Zhang - Non-executive Director

Company Secretary

Andrew Whitten

Principal registered office

Level 11 50 Pitt Street
Sydney NSW 2000
Telephone: +61 2 8488 3270

Perth Exploration Office

5 Kimberley St West Leederville WA 6007
PO Box 1427 West Leederville WA 6901
Telephone: +61 8 6142 1548

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
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	10
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF CHANGES IN EQUITY	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE FINANCIAL STATEMENTS	15
DIRECTORS' DECLARATION	19
TENEMENT SCHEDULE	20
INDEPENDENT AUDITOR'S REVIEW REPORT	21



DIRECTOR'S REPORT

Your Directors present their report together with the financial statements of the Company for the financial half-year period ended 31st December 2014

Directors

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

Mr. Chuanxi Ding
Mr. Jiangang Zhao
Mr. Gregory Clifton Hall
Mr. Yong Zhang

Directors have been in office since the start of the financial year (1 July 2014) to date of this report unless otherwise stated

Significant events during the reporting period

During the half-year, the Company focussed on aircore drilling on the Narnoo and Wiluna Projects.

Drilling program of 12 holes implemented in Narnoo project with total depth of 1,322m. A total of 123 samples were submitted for assay with 15% of samples returning assay values > 50ppm U₃O₈. Drill hole Nar003 intersected a 7m thick interval from 112m of low-grade mineralisation (av. 113.8ppm U₃O₈) including 1m @ 248.2ppm U₃O₈ (0.025% U₃O₈) from 113m.

A total of 27 aircore drillholes for a total of 1,685m were completed on Zeus' combined tenements within the Wiluna region during December 2014. Almost all drillholes intersected variably developed Tertiary palaeochannel sediments. The majority of Tertiary sediments intersected were lacustrine clays, however, palaeochannel sandstones potentially suitable for In Situ Recovery (ISR) were developed within the Kukububba (Lake Way) and Yeelirrie South Palaeochannels.

Zeus Resources' wholly owned subsidiary Kalium Corporation was the management company of the 'Percival Lakes' project which comprised six tenement applications lodged with the Department of Mining in WA.

After a comprehensive geological review the prospectivity of the tenements was concluded to be limited due the lack of a suitable potential uranium source. Also the terrain, lack of infrastructure and access roads within the Great Sandy Desert, access and logistical considerations were considered likely to add considerably to exploration costs. Upon negotiations with relevant land councils it was found that the stakeholders required substantial payments in order for land access to be granted. These payments alone exceeded the budgeted exploration expenditure for the project area.

The Board decided that Kalium Corporation Pty Ltd was not a viable venture and would provide no future benefit to the Group. On 8th November 2013, Zeus Resources appointed CRS Insolvency Services to liquidate Kalium Corporation Pty Ltd. The liquidation has now been completed and Kalium Corporation Pty Ltd was deregistered on 12th December 2014. Zeus Resources Limited now has no further interest or liabilities relating to the Percival Lakes Project.



DIRECTOR'S REPORT

REVIEW AND RESULTS OF OPERATIONS

Status of Tenements

The Company holds 17 exploration licences all based in WA. These tenements are listed in the tenement schedule on page 20 of these reports. Extensive exploration works were undertaken on the majority of tenements during the past 6 months. The results of which are disclosed in the 'Exploration Program' section below.

The Company implements its funding and development strategy. The Company actively focussed on geological exploration and project acquisitions. As the market continues in a downturn mode, the Company's objective is still to take advantage of the low and actively pursue project acquisitions.

Exploration Program

Narnoo Project, WA

Twelve aircore drillholes were drilled on the Narnoo Project during the period for a total of 1,322m. Drilling aimed to evaluate the effectiveness of geophysical survey data and targeted sandstone-hosted peneconcordant uranium mineralisation developed at the base of the Tertiary Ground gravity surveying proved to be very effective at defining structurally-controlled grabens infilled with palaeochannel sediments. Drilling results confirmed the palaeochannels containing coarse fluvial sandstones with the potential to be suitable to In Situ Recovery techniques.

Drilling indicated that basal palaeochannel sediments were commonly reduced, pyritic and carbonaceous, and defined an organic-rich reduced target horizon containing low-grade uranium mineralisation at base of the palaeochannel. Prospective lateral and vertical redox boundaries were also identified within this horizon, along with evidence of the movement of mineralising 'geochemical cells'.

A total of 123 samples were submitted for assay with 15% of samples returning assay values >50ppm U_3O_8 . Drillhole NAR003 intersected a 7m thick interval from 112m of low-grade mineralisation (av. 113.8ppm U_3O_8) including 1m @ 248.2ppm U_3O_8 (0.025% U_3O_8) from 113m.

Wiluna Project, WA

Twenty seven aircore drillholes for a total of 1,685m, targeting four separate palaeochannels, were completed on Zeus' combined tenements within the Wiluna region during the period.

Drilling targeted sandstone-hosted peneconcordant uranium mineralisation developed at the base of the Tertiary palaeochannels with surficial calcrete-hosted mineralisation forming a secondary target. The program aimed to assess the validity of geophysical data (ground gravity) obtained over the Yeelirrie South and Hinkler Well tenements and determine the validity of Zeus' exploration model prior to conducting further work.



DIRECTOR'S REPORT

Results soon indicated that almost all drillholes intersected variably developed Tertiary palaeochannel sediments, whilst confirming the presence of prospective reduced sediments within the palaeochannels and defining two regionally extensive target sand horizons.

Drilling showed that ground gravity surveying was very effective in defining the main palaeovalley axes with target sand horizons restricted to 'inset-valleys' within the centre of these palaeovalleys. Palaeochannel sandstones potentially suitable for In Situ Recovery (ISR) intersected within the Kukububba (Lake Way) Abercromby and Yeelirrie South Palaeochannels.

Weakly anomalous gamma associated with near-surface calcrete development was widespread throughout the region but assay results indicated they do not represent a viable exploration target.

Minor anomalism was intersected within palaeochannel sandstones in the Lake Way region with assay results indicating a 2 x background enrichment. A prospective redox boundary was encountered within basal palaeochannel sandstones at Yeelirrie South whilst historical waterbore records indicate sandstone-hosted anomalism at the base of the Yeelirrie Palaeochannel.

Drilling results have confirmed the validity of Zeus' exploration model and validated the effectiveness of ground gravity to define the palaeochannels. Zeus considers the results obtained from drilling, particularly the regionally extensive target sand horizons containing redox boundaries and anomalous gamma, to be sufficiently prospective to warrant follow up drilling. Pending acquisition and review of proprietary data, follow up drilling is planned for the Lake Way and Yeelirrie South Projects with proposed future drilling likely for Q2/Q3 2015.

A. Yeelirrie Palaeochannel

Eight drillholes were completed within the Yeelirrie Palaeochannel and confirmed the presence of the major palaeochannel interpreted from ground gravity data, defining a deep (>90m) Tertiary palaeovalley in which Basal Channel Sands are blanketed by extensive lacustrine clays.

Minor traces of calcrete-hosted uranium mineralisation were intersected near surface but assay results indicated they were not sufficient to warrant follow-up work.

Deeper drillholes intersected well-developed palaeochannel sands overlying granitic basement within an inset palaeovalley axis containing two target sand horizons.

No significant anomalism was detected within palaeochannel sandstones however, a prospective lateral redox boundary identified will be targeted by follow up drilling in Q2/Q3 2015.

B. Abercromby Palaeochannel

Nine holes were drilled within the Abercromby Palaeochannel. Five holes targeted ground gravity lows on the western half of the tenement with a further four drillholes investigating a prominent radiometrically anomalous calcrete outcrop east of the Goldfields Highway.

Drilling in the western part of E53/1247 confirmed the presence of the palaeochannel interpreted from ground gravity data and indicated depths to basement up to 72m. Two regionally extensive target sand horizons were defined within the palaeochannel but no significant anomalism was detected.

Anomalous gamma was commonly encountered at shallow depths (<5m) in association with discontinuous surficial calcretes throughout the tenement however confirmatory assays returned uranium grades <100ppm U₃O₈.



DIRECTOR'S REPORT

C. Lake Gregory Palaeochannel

Three drillholes were completed on within the Lake Gregory Palaeochannel targeting a radiometrically anomalous linear valley-fill calcrete thought to mark the centre of the Palaeovalley.

Drilling intersected thinly developed lacustrine clays directly overlying crystalline basement with no sands intersected. Results indicate that the middle to upper reaches of the Lake Gregory Palaeovalley were subject to erosion rather than deposition of sediments and are not prospective for palaeochannel sandstone-hosted mineralisation.

Minor anomalism was associated with surficial calcrete development however confirmatory assays returned uranium grades <100ppm U₃O₈.

D. Kukububba Palaeochannel

Two drillholes were completed on E53/1601 but intersected heavily weathered basement, indicating that, like the Lake Gregory Palaeochannel, the upper reaches of the Kukububba Palaeochannel was an area of erosion rather than deposition.

A further five holes were drilled in the vicinity of Lake Way across the interpreted course of the main Kukububba Palaeovalley. Two of these drillholes failed to intersect Tertiary palaeochannel sediments and instead encountered weathered pyritic greenstone saprolite and vein quartz. Composite samples were taken to assay for gold but returned no significant results.

Minor anomalism was observed in association with shallow calcretes but confirmatory assays returned values of <50ppm U₃O₈.

The remaining drillholes intersected marginal lacustrine clays with the final hole encountering a well-developed palaeochannel succession infilling an inset valley within the palaeochannel axis. Two reduced sand horizons were intersected within the palaeochannel fill with downhole logging defining a broad zone of weakly anomalous gamma at 45-60m. Drilling failed to intersect the eastern margin of the Kukububba Palaeochannel and the channel remains open to the east.

Peak anomalism was observed within palaeochannel sands at 51m. Confirmatory assays returned low uranium values (<10ppm U₃O₈) but indicated weakly elevated uranium values (<20ppm U₃O₈) associated with the RedOx boundary at the base of the Mid Sequence Sands disconformably overlaid reduced clays. Although observed grades are low, assay results importantly confirm the movement of uranium-bearing groundwater within the palaeochannel sandstones and provide the first verification that the palaeochannels within the Wiluna region have the potential to contain sandstone-hosted uranium mineralisation.

Follow-up drilling is being planned for the Kukububba Palaeochannel for Q2/Q3 2015.

Gascoyne Project

A. Red Rock (E52/2122)

Assay results received during the period determined that radiometric anomalism at Red Rock is attributed primarily to a high Potassium and Thorium content, along with minor Uranium enrichment. Together with the



DIRECTOR'S REPORT

excellent exposure of the Red Rock batholith, these results satisfactorily account for the strong airborne radiometric anomaly.

Mapping determined that the massive, undeformed nature of the Red Rock Granite indicated that shear-hosted uranium/gold mineralisation were unlikely to occur on the Red Rock tenement. Zeus has determined that the tenement might not have a viable uranium deposit and may consider relinquishing the tenement in Q3/Q4 2015.

B. Mortimer Hills (E09/1618)

No work conducted during the period.

North Musgrave Project

No work conducted during the period.

Results of Operations

For the half- year ended 31st December 2014 the Company recorded a loss of \$548,779 (31 December 2013: Loss \$654,818).

Total exploration expenditure for the half-year was \$506,637 (31 December 2013: \$401,085) of which \$440,426 was capitalised to exploration assets (31 December 2013: \$245,522).

Significant changes in state of affairs

There were no significant changes in the state of the affairs of the company other than the liquidation of Kalium Corporation Pty Ltd. Consequently, the previous year comparisons shown in this report are consolidated results of Zeus Resources Group of companies, whereas the current year results show are for the single entity Zeus Resources Limited. As at liquidation date Kalium Corporation Pty Ltd had zero value and no dividend was paid to any stakeholder in the company.

Principal activities

The principal activities of the Company during the year was the exploration for uranium and other base metals and research and analysis of investment opportunities in the mining and exploration sector.

Dividends

No dividends have been declared in respect of the half-year ended 31st December 2014 (31 December 2013: Nil)

Events subsequent to the end of the reporting period

There were no significant events subsequent to the end of the reporting period.



DIRECTOR'S REPORT

Auditor independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2014 has been received and can be found on page 10 of this interim report.

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

A handwritten signature in black ink, appearing to read 'J. Ding'.

Mr. Chuanxi Ding
Chairman

Dated this 13th March 2015

Competent Person Statement:

Information in this report that relates to Exploration Results is based on information compiled by Mr Jonathan Higgins, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Higgins is a full-time employee of Zeus Resources Limited. Mr Higgins 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 Higgins consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

**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 half-year ended 31 December 2014 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.



William Buck
Chartered Accountants
ABN 16 021 300 521



L.E. Tutt
Partner
Sydney, 13 March 2015

**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 HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	Half-Year ended 31 Dec 2014	Half-Year ended 31 Dec 2013
		\$	\$
Revenue from ordinary activities	2	100,633	103,419
Less expenses:			
Corporate and administration costs			
- Accounting and Audit Fees		33,242	90,244
- Computers and communications		14,144	12,501
- Company secretarial and compliance		31,146	30,000
- Directors' fees and expenses		172,275	122,270
- Employee salaries and benefits		76,471	192,127
- Finance costs		24	3
- Insurance		9,308	4,789
- Legal and consultants' fees		63,045	81,773
- Rent and utilities		129,426	19,791
- Share registry maintenance and listing fees		26,379	27,670
Exploration and evaluation costs		66,211	163,034
Business development costs			
- Business development salaries		12,733	18,804
- Travel and accommodation		1,707	12,223
Other expenses from ordinary activities			
- Depreciation		11,199	16,911
- Other expenses		2,102	3,519
- Share option expense		-	(37,432)
Total Expenses		649,412	758,237
Loss before income tax		(548,779)	(654,818)
Income tax expense		-	-
Loss for the period attributable to the Company		(548,779)	(654,818)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the Company		(548,779)	(654,818)
Earnings per share			
Basic - cents per share		(0.305)	(0.36)
Diluted - cents per share		(0.305)	(0.36)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. The current half-year results are for the single entity Zeus Resources Limited. Previous year results reflected consolidated entity of Zeus Resources Limited and Controlled Entities.



**STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	As at 31 Dec 2014	As at 30 Jun 2014
CURRENT ASSETS		\$	\$
Cash and cash equivalents		5,679,918	6,604,789
Other assets		42,982	48,446
TOTAL CURRENT ASSETS		5,722,900	6,653,235
NON-CURRENT ASSETS			
Exploration and evaluation assets	4	2,301,887	1,861,461
Property, plant and equipment		72,330	79,309
TOTAL NON-CURRENT ASSETS		2,374,217	1,940,770
TOTAL ASSETS		8,097,117	8,594,005
CURRENT LIABILITIES			
Trade and other payables		374,313	322,422
TOTAL CURRENT LIABILITIES		374,313	322,422
TOTAL LIABILITIES		374,313	322,422
NET ASSETS		7,722,804	8,271,583
EQUITY			
Contributed equity	3	17,398,334	17,398,334
Share option reserve		247,500	247,500
Accumulated losses		(9,923,030)	(9,374,251)
TOTAL EQUITY		7,722,804	8,271,583

The above statement of financial position should be read in conjunction with the accompanying notes. The current half-year results are for the single entity Zeus Resources Limited. Previous year results reflected consolidated entity of Zeus Resources Limited and Controlled Entities.



**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Contributed Equity (\$)	Share option Reserve (\$)	Accumulated Losses (\$)	Total (\$)
Balance at 1 July 2014	17,398,334	247,500	(9,374,251)	8,271,583
Loss for the half-year	-	-	(548,779)	(548,779)
Balance at 31 December 2014	<u>17,398,334</u>	<u>247,500</u>	<u>(9,923,030)</u>	<u>7,722,804</u>
Balance at 1 July 2013	17,398,334	247,500	(8,088,834)	9,557,000
Loss for the half- year	-	-	(654,818)	(654,818)
Balance at 31 December 2013	<u>17,398,334</u>	<u>247,500</u>	<u>(8,743,650)</u>	<u>8,902,182</u>

The above statement of statement of changes in equity should be read in conjunction with the accompanying notes. The current half-year results are for the single entity Zeus Resources Limited. Previous year results reflected consolidated entity of Zeus Resources Limited and Controlled Entities.



STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	Half-Year Ended 31 Dec 2014	Half- Year Ended 31 Dec 2013
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(514,643)	(1,097,984)
Interest received		100,633	103,419
Net cash used in Operating Activities		(414,010)	(994,567)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(506,643)	(185,564)
Payments for plant and equipment		(4,218)	(17,631)
Net cash used in Investing Activities		(510,861)	(203,195)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
Net (decrease) / increase in cash and cash equivalents held		(924,871)	(1,197,762)
Cash at beginning of financial year		6,604,789	8,689,953
Cash and Cash Equivalents at end of the period		5,679,918	7,492,191

The above statement of statement of cash flows should be read in conjunction with the accompanying notes. The current half-year results are for the single entity Zeus Resources Limited. Previous year results reflected consolidated entity of Zeus Resources Limited and Controlled Entities.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Zeus Resources Limited for the year ended 30 June 2014 and any public announcements made by Zeus Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements have been approved by the Board on the date of signing.

(a) Basis of accounting

These financial statements have been prepared on the basis of historical cost, except if revaluation of certain non-current assets have been made. Cost is based on the fair values of consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2014, other than as detailed below.

(b) New Accounting Policies

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Company include:

- AASB 132 *Financial Instruments: Presentation* and AASB 2012-3 Amendments to Australian Accounting Standards arising from AASB 132;
- AASB 136 *Impairment of Assets* and AASB 2013-3 amendments to Australian Accounting Standards arising from AASB 136; and
- AASB 1031 *Materiality* and AASB 2013-9 (Part B) Amendments to Australian Accounting Standards to delete references to AASB 1013

The adoption of these new and revised Standards and Interpretations had no material impact on the reporting position or performance of the financial statements for the current or prior year.

(c) Consolidation

In future reporting periods the Company will no longer be presenting consolidated financial statements as it is no longer part of a group of companies or holds any interest in any other company or subsidiary. However prior year values will reflect consolidated values when the comparative year or period was a consolidated value. Current year values in this report are for the single entity Zeus Resources Limited.



NOTES TO THE FINANCIAL STATEMENTS

(d) Critical Accounting Estimates and Judgements

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2014 Annual Report with the exception of the following:

- Key Judgements – Exploration and evaluation expenditure.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. Costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The capitalised expenditure at reporting date is \$1,674,214 (30 June 2014: \$1,233,782).

NOTE 2: REVENUE

Interest Revenue

Half Year Ended
31 Dec 2014Half Year Ended
31 Dec 2013

100,633

103,419

100,633103,419**NOTE 3. CONTRIBUTED EQUITY**As at
31 Dec 2014As at
30 June 2014**(a) Issued Capital**

180,150,000 Fully paid ordinary shares
(30 June 2014 180,150,000)

19,030,003

19,030,003

19,030,00319,030,003**(b) Movements in Ordinary Shares in the Past Six Months**

There were no movements in ordinary shares during the half year.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

NOTE 4. EXPLORATION AND EVALUATION ASSETSAs at
31 Dec 2014As at
30 June 2014**Area of Interest:**

Wiluna (Lakes Way and Yeelirrie)

Opening Balance

720,186

597,386

Capitalised Costs

218,525122,800

Closing Balance

938,711

720,186

Gascoyne (Red Rock and Mortimer Hills)

Opening Balance

317,119

226,775

Capitalised Costs

23,68890,343

Closing Balance

340,807

317,119

North Musgrave

Opening Balance

71,015

51,523

Capitalised Costs

9,93519,492

Closing Balance

80,950

71,015

Narnoo (North and South)

Opening Balance

753,141

543,370

Capitalised Costs

188,278209,771

Closing Balance

941,419

753,141

Total exploration and evaluation assets2,301,8871,861,461



NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Half Year Ended 31 Dec 2014	Half Year Ended 31 Dec 2013
Consulting Fees ¹	48,000	-
Rent ²	-	24,343
Legal Services ³	-	73,229
	<u>48,000</u>	<u>97,572</u>

¹ Mr Yong Zhang, director is also the director/owner of Ace Win Ltd. Monthly payments of \$8,000 have been made to Ace Win as per agreement between the Board of Zeus Resources Ltd and Mr Yong Zhang for consulting services provided in relation to potential investment targets in Australia and other internationally. Total contract value is \$120,000.

² Mr Young Zhang, director is also the director/owner of Heng Ji Investments Australia Pty Ltd. Monthly rent payments were made to CBRE Ltd on behalf of Heng Ji Investments Australia Pty Ltd for the use of the Sydney offices occupied by Zeus Resources Ltd up to the 17th October 2013. The Sydney office was then formally subleased by Zeus Resources Ltd from 18th October 2013.

³ Mr Andrew Whitten, solicitor with Whittens & McKeough Pty Ltd, is also the company secretary of Zeus Resources Ltd. Services are provided on an as required basis.

NOTE 6. OPERATING SEGMENTS

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 7. CONTINGENT LIABILITIES

The Company has no current contingent liabilities.

NOTE 8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The directors consider that the carrying amount of the financial assets and liabilities recorded in the financial statements approximates their fair values.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. COMMITMENTS

Commitments

The Group 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:

	As at 31 Dec 2014	As at 30 Jun 2014
<i>Projects:</i> ¹	\$	\$
Within 1 year ¹	1,181,354	1,114,583
More than 1 year but not later than five years ¹	9,527,104	4,323,832
More than five years	1,263,500	2,527,000
Total	11,971,958	7,965,415
<i>Administration:</i> ²		
Not later than one year ²	279,208	278,778
Later than one year but not later than five years ²	477,747	610,984
More than five years	-	
Total	756,682	889,762
Total commitments	12,728,640	8,855,177

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

NOTE 10. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2014 that has significantly affected or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 18, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001 and
 - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended on that date of the Company.
2. 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 read 'J. Ding'.

Mr. Chuanxi Ding
Chairman

Dated this 13th March 2015



TENEMENT SCHEDULE

Licence Name	Licence Number	State/ Territory	Area	Project	Date Expires/Note
Harvey Well	E53/1601	W.A.	70	Lake Way	14 Feb 18
Shannon Well	E56/1604	W.A.	48	Lake Way	14 Feb 18
Lake Uramurdah	E53/1603	W.A.	16	Lake Way	14 Feb 18
Cunya	E53/1602	W.A.	57	Lake Way	14 Feb 18
Paroo	E53/1600	W.A.	60	Lake Way	14 Feb 18
Albion Downs	E53/1247	W.A.	13	Lake Way	02 Jan 17 Note 1
Yakabindie	E36/733	W.A.	70	Yeelirrie South	26 Apr 16 Note 1
Yeelirrie	E36/735	W.A.	11	Yeelirrie South	14 Jul 15 Note 1
Van Der Linden	E69/2362	W.A.	50	North Musgrave	20 May 18 Note 1
Great Victoria Desert 2	E39/1687	W.A.	10	Narnoo	09 Oct 17
Great Victoria Desert	E39/1689	W.A.	14	Narnoo	18 Oct 17
Great Victoria Desert	E39/1401	W.A.	105	Narnoo	02 Aug 14 (Extended)
Great Victoria Desert	E28/2096	W.A.	30	Narnoo	08 May 16
Great Victoria Desert	E28/2097	W.A.	11	Narnoo	08 May 16
Scorpion	E39/1683	W.A.	127	Narnoo	04 Sep 17
U20	E09/1618	W.A.	62	Mortimer Hills	15 May 16 Note 2
Red Rock	E52/2122	W.A.	17	Red Rock	23 Jul 17 Note 2

Note 1. The tenements are currently held by Sammy Resources Pty Ltd, with all conditions of the sale contracts being met they will be transferred into the Company's name.

Note 2. The tenements are currently held by FEC II Pty Ltd, with all conditions of the sale contracts being met they will be transferred into the Company's name.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZEUS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Zeus Resources Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Zeus Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZEUS RESOURCES LIMITED (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zeus Resources Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Zeus Resources Limited for the half year ended 31 December 2014 included on Zeus Resources Limited web site. The company's directors are responsible for the integrity of the Zeus Resources Limited web site. We have not been engaged to report on the integrity of the Zeus Resources Limited web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.



William Buck
Chartered Accountants
ABN 16 021 300 521



L.E. Tutt
Partner
Sydney, 13 March 2015