

QUARTERLY ACTIVITIES REPORT

For the period ending 30th September 2016

The Board of Zeus Resources Limited is pleased to release its First Quarterly Activities Report covering the period ending 30th September 2016.

Highlights

- Mortimer Hills – E09/2147 tenement granted by the Department of Mines and Petroleum (DMP);
- Field Visit to the Narnoo and Wiluna Projects in further preparation for upcoming drilling programmes.

Corporate and Financial

- Quarterly administrative and other operational expenditures are within budget;
- Next Board meeting will be held on 16th November;
- Annual General Meeting of 2016 will be held on 17th November.

Tenement Status

No changes to Zeus' granted tenement holding during the Quarter. E09/2147 tenement has been granted by the Department of Mines and Petroleum (DMP) on 15th September 2016.

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

Exploration Project Locations

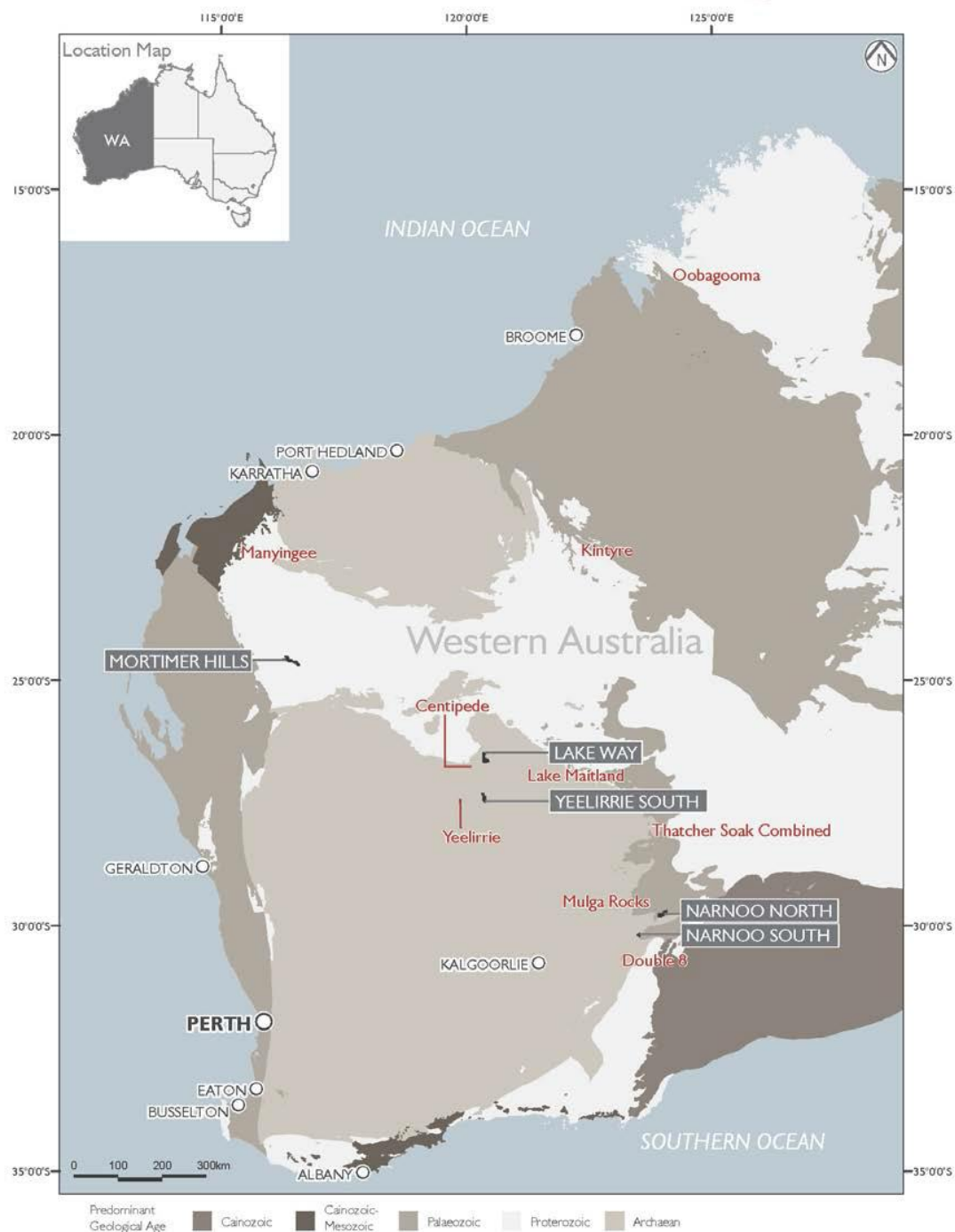


Figure 1. Zeus Resources Tenement Location Map

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	
Narnoo	Narnoo North	E 39/1683	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
	Narnoo South	E 28/2097	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Gascoyne	Mortimer Hills	E 09/1618	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
		E 09/2147	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Granted 15/09/16
Table 1. Zeus Resources Tenement Details						

Exploration Program

Exploration efforts during the reporting period were focussed on a field visit to the Narnoo and Wiluna Projects in preparation for the upcoming, and DMP approved, drilling programmes within those Project areas.

Wiluna Project

During the reporting period preparation for the proposed follow up drilling on the Lake Way and Yeelirrie South Projects continued. This preparation included a field visit to the Project area to further evaluate access and drill hole collar locations for suitability subsequent to a further review of previous drill results.

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 and Yeelirrie Palaeochannels, with two regionally extensive target sand horizons determined to be restricted to the palaeovalley axes.

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

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 and Yeelirrie South Project areas.

Zeus currently plans to undertake the proposed drilling in the first half of 2017.

Narnoo Project

During the reporting period preparation for the proposed follow up drilling of the Narnoo South (E28/2097) uranium prospect. This preparation included a field visit to the Project area to further assess access and drill hole collar locations for suitability after further review of the results from previous drilling.

Data input into Zeus's geological model for the area has been used to develop a drilling program of 12 (priority 1) holes at Narnoo South) in order to confirm uranium grade and thicknesses within the Driller's Palaeochannel identified during the drilling program conducted in May 2015.

Approval for this drilling program has been granted by the DMP for these drill locations and Zeus currently plans to undertake the proposed drilling in the first half of 2017.

Gascoyne Project

During the reporting period the tenement application for E09/2147 was granted after objections by the Native Title Representative Body for the area were rescinded.

A reconnaissance field mapping and rock chip sampling program is currently being planned, and it is anticipated that this field programme will be undertaken by Zeus Resources Limited geologists in the next quarter.

The aim of this reconnaissance program will be to identify pegmatites which have the potential to host tantalum-lithium deposits.

Competent Person Statement:

Information in this release that relates to Exploration Results is based on information compiled by Mr Warrick Clent, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Clent is a director of Clent Advisory Proprietary Limited. Mr Clent is engaged by Zeus Resources Limited as an independent consultant and holds no shares in the company. Mr Clent 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 Clent consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.