

QUARTERLY ACTIVITIES REPORT

For the period ending 30th June 2016

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

Highlights

- Program of Work approvals obtained for drilling on the Narnoo Project;
- Maiden exploration surface mapping and sampling program completed by JV partner Segue Resources Ltd on the Mortimer Hills JV, part of the Gascoyne Project.

Corporate and Financial

- Quarterly administrative and other operational expenditures are within budget;
- Segue Resources Limited have now satisfied the Initial Exploration phase of the joint venture and are currently planning further exploration programs as part of the Stage 1 Farm-in phase to earn a 35% in tenement E09/1618;
- Next Board meeting will be held on 15th August by Tele-conference.

Tenement Status

No changes to Zeus' granted tenement holding during the Quarter. Tenements are shown in Figure 1 and detailed in Table 1.

Exploration Project Locations

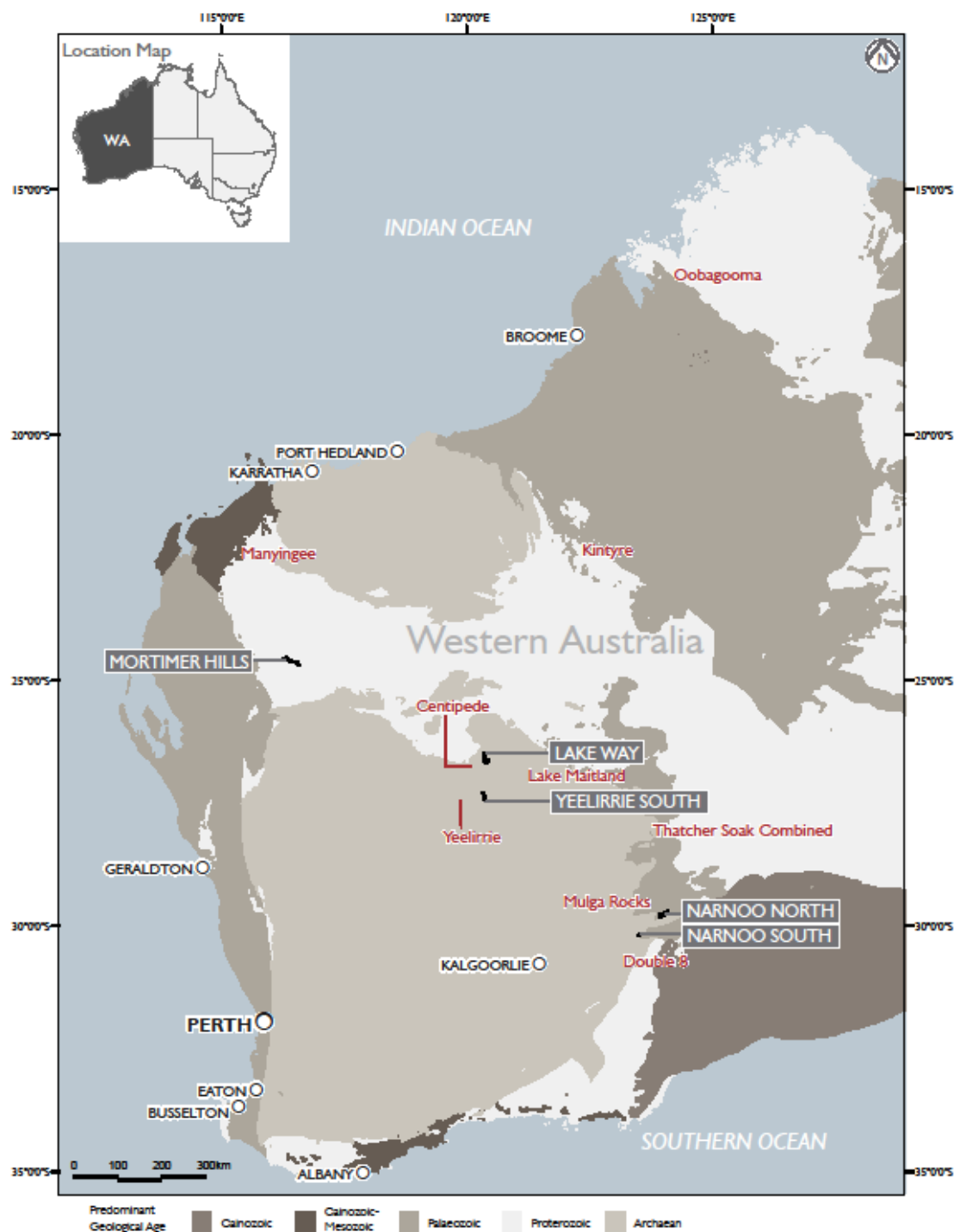


Figure 1. Zeus Resources Tenement Location Map.

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	Application	Zeus Resources Ltd	Zeus Resources Ltd	Application in progress.
Table 1. Zeus Resources Tenement Details						

Exploration Program

Exploration efforts during the reporting period have focussed on the planning of follow up exploration programs, and gaining approvals from the Department of Mines & Petroleum (DMP) for proposed drilling on the Narnoo Project.

Wiluna Project

During the reporting period preparation for the proposed follow up drilling on the Lake Way and Yeelirrie South Projects continued.

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 second half of 2016.

Narnoo Project

During the reporting period preparation for the proposed follow up drilling of the Narnoo South (E28/2097) uranium prospect.

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 second half of 2016.

Gascoyne Project

During the reporting period a reconnaissance field mapping and rock chip sampling program was undertaken by Zeus Resources Limited's joint venture partner Segue Resources Limited (ASX : SEG) (Segue) on the Mortimer Hills JV.

The Mortimer Hills JV covers the granted exploration licence E09/1618 (Figure 2).

The aim of this maiden exploration program was to identify pegmatites which are more fractionated and have the potential to host tantalum-lithium deposits. During the field work a total of 84 rock chip samples, 23 of which were specifically collected to analyse for tantalum-lithium mineralisation with the remainder targeting potential base metal mineralisation, were taken for analysis.

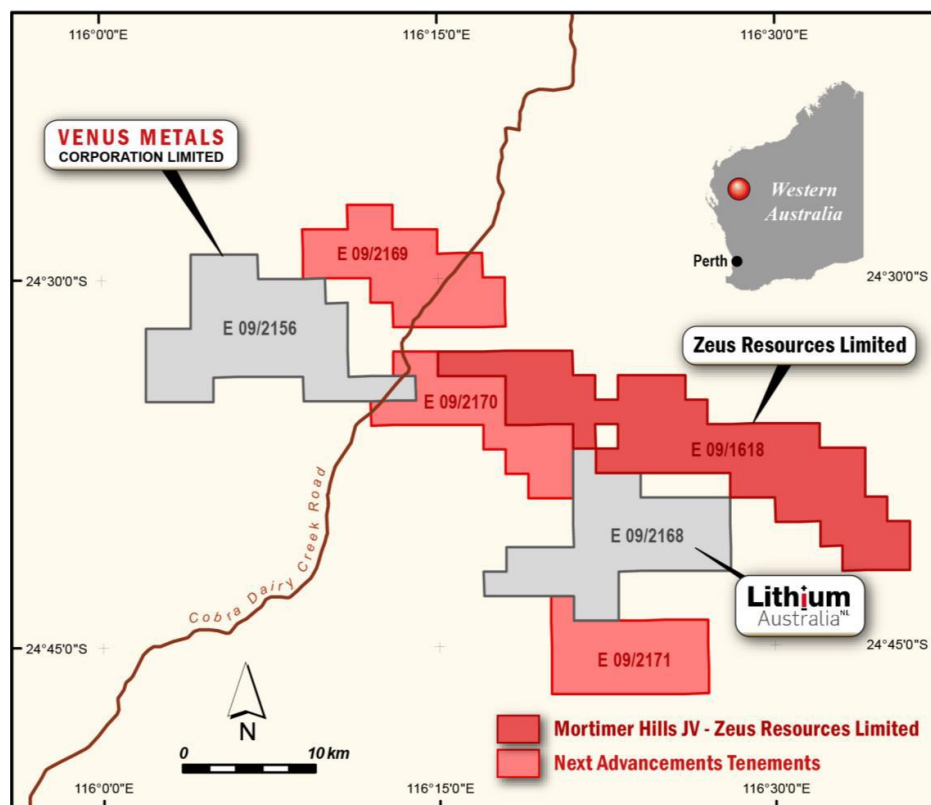


Figure 2: Tenement location map

Results from this maiden exploration program were announced to the market by Segue on 9th June 2016. No economic tantalum-lithium mineralisation has been identified to date on E09/1618 but Segue are currently planning a follow-up exploration program consisting of rock chipping, with lithogeochemical analysis, and a soils orientation survey, with multi-element analysis, to be conducted during August 2016.

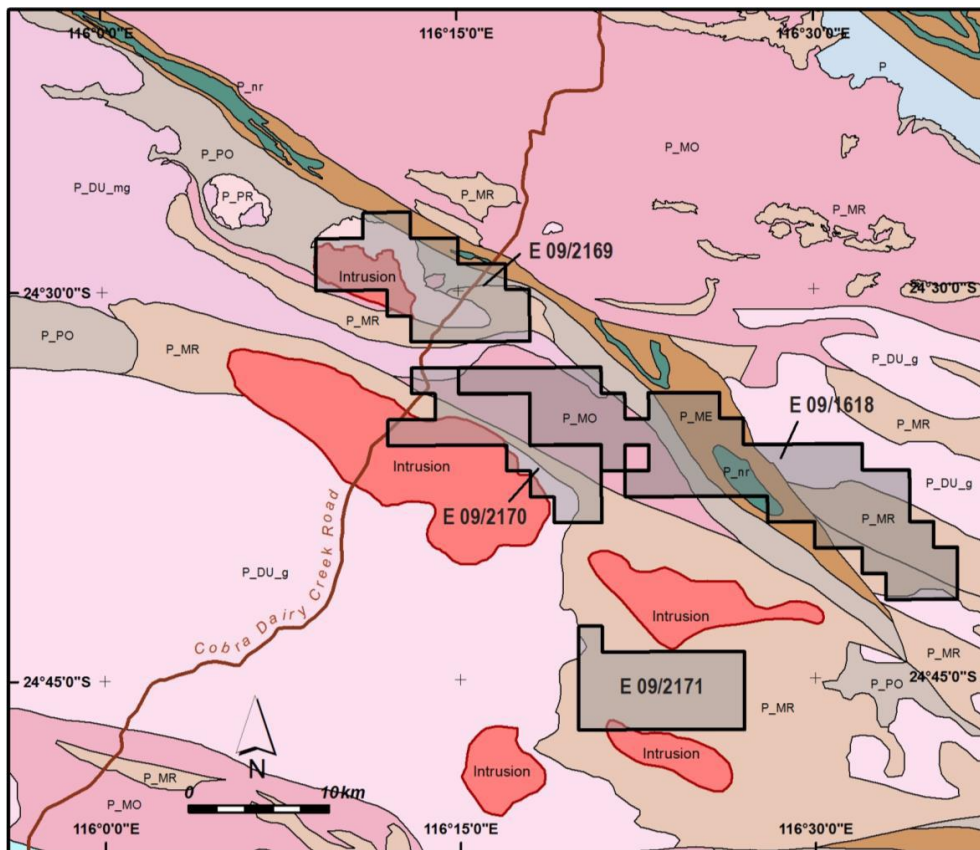


Figure 3: Simplified geological map showing previously identified biotite-muscovite intrusions

The key terms of the Mortimer Hills JV 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 Joint Venture 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 Joint Venture (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 joint venture terms apply, including contributions in proportion to equity holdings, dilution and pre-emptive rights; and

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

Segue have now satisfied the **Initial Exploration** phase of the joint venture and, as discussed above, are planning further exploration programs as part of the **Stage 1 Farm-in** phase.

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.