



Zeus Resources Limited

INTERIM REPORT For the half-year ended 31 December 2015



*The information contained in this report is to be read
in conjunction with Zeus Resources Limited's 2015
annual report and announcements to the market
Zeus Resources released during the half-year period
ending 31 December 2015*



CORPORATE DIRECTORY

Directors

Shouyin Wang - Chairperson
Jiangang Zhao - Acting CEO and Director
Gregory Clifton Hall - Non-executive Director
Yong Zhang - Non-executive Director

Company Secretary

Shelley Peters

Principal registered office

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

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



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DIRECTORS' REPORT

The Directors present their report together with the financial statements of the Company for the financial half-year period ended 31st December 2015.

Directors

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

Mr. Shouyin Wang (Appointed 31 July 2015)

Mr. Jiangang Zhao

Mr. Gregory Clifton Hall

Mr. Yong Zhang

Mr. Chuanxi Ding (Resigned 31 July 2015)

Directors have been in office since the start of the financial year (1 July 2015) to date of this report unless otherwise stated

Significant events during the reporting period

During the half-year, the Company focused on the review of exploration data acquired previously, planning of follow up exploration programs and conduct of aboriginal heritage clearances. The company also relinquished some tenements which were not considered to be prospective.

The Company conducted an aboriginal heritage clearance on its Wiluna tenements with a total of 26 locations cleared for Zeus' follow-up drilling program scheduled for 2016.

Following review of exploration drilling results from the previous half-year, Zeus has elected to relinquish the E39/1401, E39/1687 and E39/1689 tenements at Narnoo North, and the E28/2096 tenement at Narnoo South. Additionally, the E39/1683 tenement has been reduced in size.

As part of its tenement rationalisation undertaken during the half-year, the Company has voluntarily elected to relinquish the E69/2362 tenement in North Musgrave due to the high costs associated with native title and access difficulties to the tenement.

Zeus' new tenement application (E09/2147) covering outcropping base metal mineralisation at the Reid Well prospect, has continued to progress.

During this period of substantial economic downturn in the mining sector, the Company has been actively seeking opportunities to acquire low-cost projects. Several exploration and mining projects have been researched. Current focus is centred on a gold project in Mid-Asia.

In other cost cutting measures, the Board proposed to cut directors fees and employee salaries. Director's fees were subsequently reduced by 30-40% commencing from the second quarter of this financial year. Employee's salaries were also renegotiated, substantially reducing this cost by another 30-40% per annum commencing from the third quarter of this financial year.



DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS

Tenement Status

Following a review of exploration results from work conducted previously, Zeus has consolidated its tenement holding by voluntarily relinquishing all, or parts of tenements now considered to be un-prospective.

Tenement transfers for two tenements lodged previously were completed during the half-year period. Current tenements are shown in Figure 1 and detailed in Table 1.

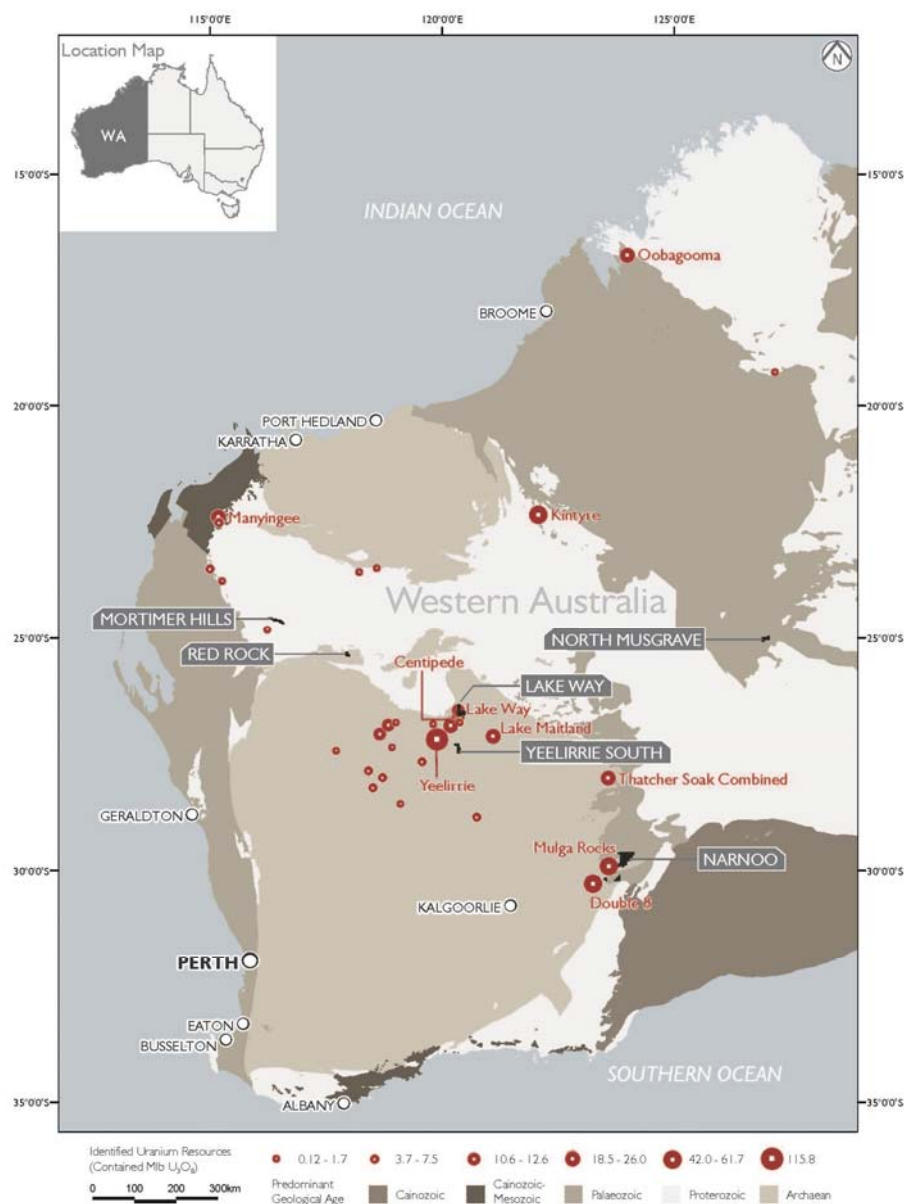


Figure 1. Zeus Resources Tenement Location Map.



DIRECTORS' REPORT

Region	Project	Sub-Project	Tenement	Status	Holder	Operator	Comments
Wiluna	Lake Way	Kukububba Palaeochannel	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	Yeelirrie South	E 36/733	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Narree	Narree	Narree North	E 39/1401	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Voluntarily Relinquished.
			E 39/1683	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Tenement reduced in size.
			E 39/1687	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Voluntarily Relinquished.
			E 39/1689	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Voluntarily Relinquished.
		Narree South	E 28/2096	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Voluntarily Relinquished.
			E 28/2097	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Gascoyne	Mortimer Hills	-	E 09/1618	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Transfer to 100% Zeus completed.
			E 09/2147	Application	Zeus Resources Ltd	Zeus Resources Ltd	New Tenement Application
	Red Rock	-	E 52/2122	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Transfer to 100% Zeus completed. Voluntarily Relinquished.
North Musgrave	North Musgrave	-	E 69/2362	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Transfer to 100% Zeus completed. Voluntarily Relinquished.
Table 1. Zeus Resources Tenement Details.							



DIRECTORS' REPORT

Exploration Program

Exploration efforts during the Half-Year have focussed on the review of exploration data acquired previously, planning of follow up exploration programs and conduct of aboriginal heritage clearances.

Wiluna Project

Drilling during December 2014 confirmed the validity of Zeus' exploration model and validated the effectiveness of ground gravity to define the palaeochannels. 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.

During the Half-Year a Program of Works (PoW) detailing proposed follow up drilling on the Lake Way and Yeelirrie South Projects was approved by the Department of Mines & Petroleum (DMP). Proposed drilling targeted prospective reduced palaeochannel sandstones within the Kukububba (Lake Way) and Yeelirrie South Palaeochannels.

Zeus conducted an aboriginal heritage clearance on its Wiluna tenements with a total of 26 locations cleared for Zeus' follow-up drilling program scheduled for 2016.

Narnoo Project

Following review of exploration drilling results from the previous half-year, Zeus has elected to relinquish the E39/1401, E39/1687 and E39/1689 tenements at Narnoo North, and the E28/2096 tenement at Narnoo South. Additionally, the E39/1683 tenement has been reduced in size to focus on the regional RedOx boundary defined by exploration drilling (Figure 3).

Exploration drilling conducted at Narnoo South during the previous half-year on the E28/2097 tenement intersected low-grade uranium mineralisation within a narrow tributary palaeochannel, steeply incised into underlying Permian clays (Figure 2). Tertiary lignites and palaeochannel sandstones were well-developed within the channel, with up to 27m of lignite intersected. A broad zone of lignite-hosted uranium mineralisation, similar in style to the Mulga Rocks Uranium Deposits, occurred at the RedOx boundary developed at the top of the lignite horizon.

Assay results from the mineralised zones within Zeus' drillholes indicate an average thickness of 2-3m, with average grades across this interval exceeding 0.02% U₃O₈. Historical drilling within the vicinity suggests the mineralised zone ranges from 1-5m thick and extends across the full width of the palaeochannel. Mineralisation occurs over a length of ~4km within the channel with this zone remaining open to both the S/SE (upstream) and the W/NW (downstream).

Work during the Half-Year has focussed on data capture from historical exploration reports and its incorporation into Zeus' geological model. This data has been used to assist in developing a preliminary resource drilling program of 30 holes for a total of 1,600m in order to confirm grade and thicknesses prior to conducting further work.

Planned work is likely to involve a preliminary drilling program to confirm uranium grade and thicknesses at Narnoo South prior to completing a drill-out to define the mineralised area (s) within the Driller's Palaeochannel.

A proposed Program of Works has been submitted to the DMP for review and approval prior to commencement in 2016.



DIRECTORS' REPORT

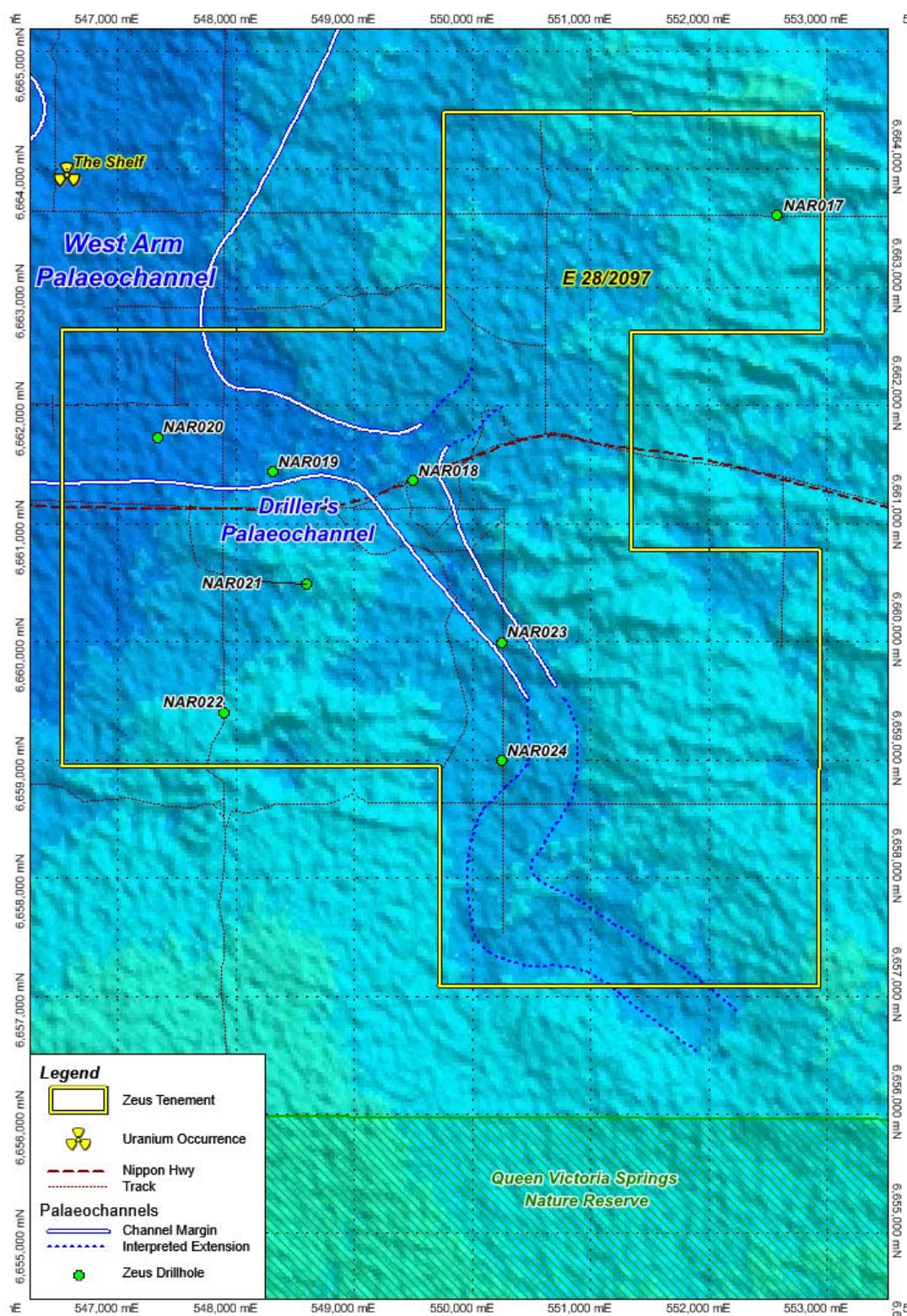


Figure 2. E28/2097 SRTM image showing Zeus drillholes and interpreted palaeochannels.



DIRECTORS' REPORT

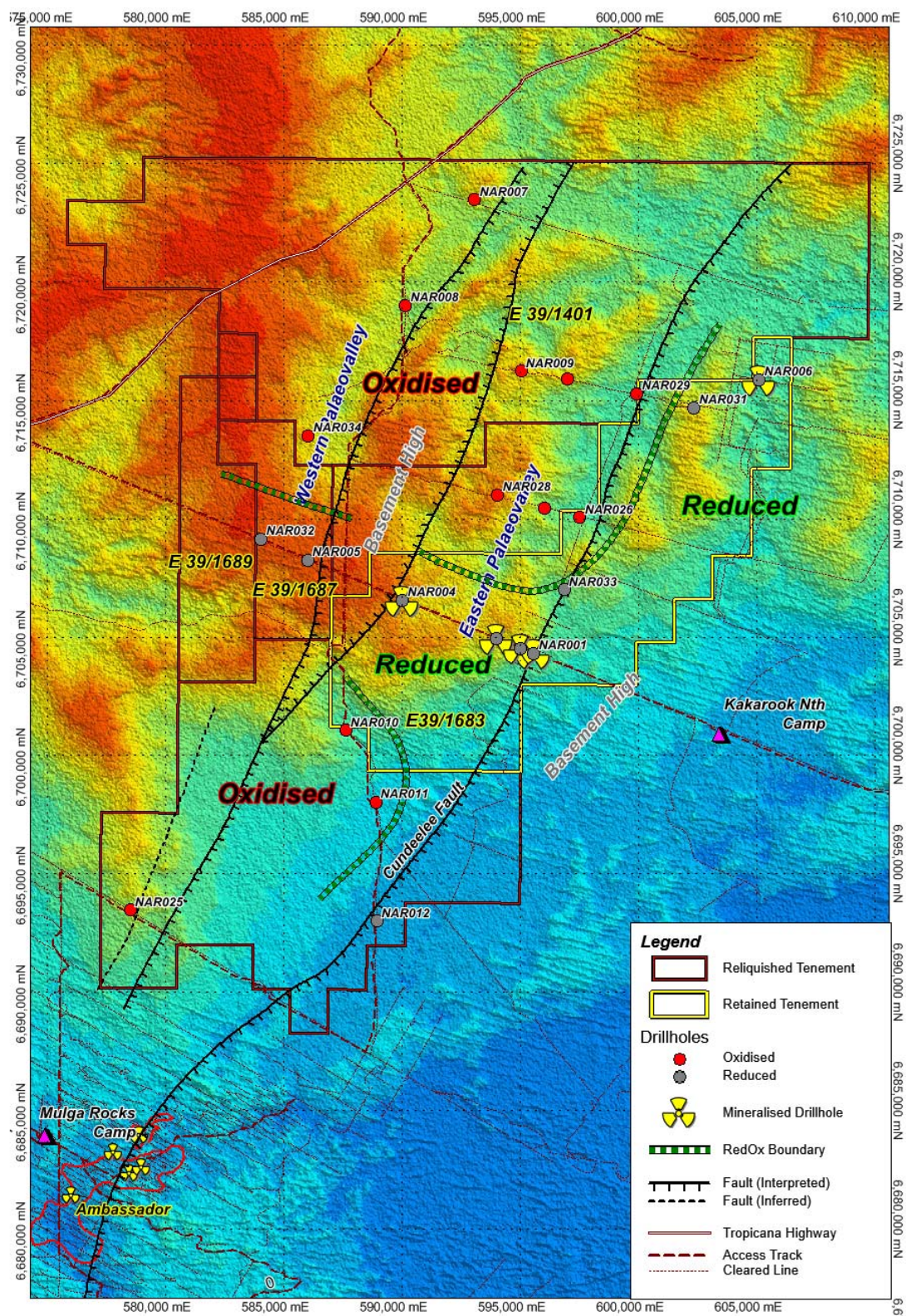


Figure 3. Narnoo North tenements showing Zeus drillholes and interpreted palaeogeography over surface elevation (SRTM).



DIRECTORS' REPORT

Gascoyne Project

Following encouraging exploration results obtained during the previous half-year, work during the reporting period comprised ongoing review, data entry and analysis of historical exploration data within the region.

Follow up field work and mapping of previously identified Iron-Oxide hosted Uranium and Base Metal prospects (Figure 4) is planned for 2016 in order to facilitate exploration drilling of these targets.

Zeus' new tenement application (E09/2147) covering outcropping base metal mineralisation at the Reid Well prospect, has continued to progress.

Historical exploration data within the region covered by this tenement application is being reviewed to assist in planning further field work upon grant of the tenement.

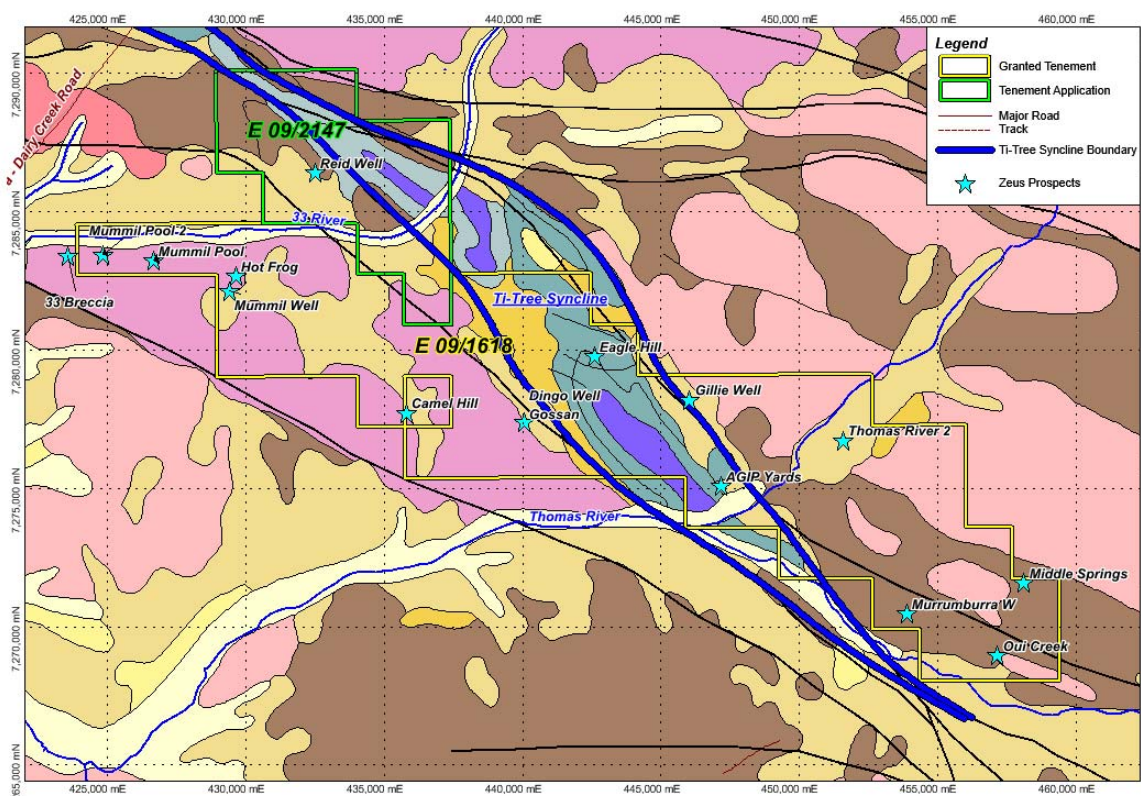


Figure 4. Gascoyne Project tenement map showing regional geology and prospect locations.

North Musgrave Project

As part of its tenement rationalisation undertaken during the half-year, Zeus has voluntarily elected to relinquish the E69/2362 tenement due to the high costs associated with native title and access difficulties to the tenement. No further work will be conducted on the tenement.



DIRECTORS' REPORT

Competent Person Statement:

Information in this release 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.



DIRECTORS' REPORT

Results of Operations

For the half-year ended 31st December 2015 the Company recorded a loss of \$1,729,865 (31 December 2014: Loss \$548,779).

Total exploration expenditure for the half-year was \$241,620 (31 December 2014: \$506,637) of which \$215,897 was capitalised to exploration assets (31 December 2014: \$440,426).

Significant changes in state of affairs

There were no significant changes in the state of the affairs of the Company other than the resignation of Mr Ding and appointment of Mr Wang as the chairperson on 31st July 2015.

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 2015 (31 December 2014: Nil)

Events subsequent to the end of the reporting period

The Company Secretary, Mr Andrew Whitten resigned and a new Company Secretary, Ms Shelley Peters, was appointed on the 17th February 2016.



DIRECTORS' 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 2015 has been received and can be found on page 14 of this interim report.

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

A handwritten signature in black ink, appearing to be '王守音' (Wang Shouyin), written in a cursive style.

Mr. Shouyin Wang
Chairman

Dated this 10th of March 2016

**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 2015 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, 10 March 2016

**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 2015

	Notes	Half-Year ended 31 Dec 2015	Half-Year ended 31 Dec 2014
		\$	\$
Revenue from ordinary activities	2	53,841	100,633
Less expenses:			
Corporate and administration costs			
- Accounting and Audit Fees		46,336	33,242
- Computers and communications		12,597	14,144
- Company secretarial and compliance		28,296	31,146
- Directors' fees and expenses		143,819	172,275
- Employee salaries and benefits		58,558	76,471
- Finance costs		-	24
- Insurance		9,732	9,308
- Legal and consultants' fees		20,123	63,045
- Rent and utilities		126,719	129,426
- Share registry maintenance and listing fees		23,443	26,379
Exploration and evaluation costs		1,271,069	66,211
Business development costs			
- Business development salaries		19,210	12,733
- Travel and accommodation		897	1,707
Other expenses from ordinary activities			
- Depreciation		11,353	11,199
- Other expenses		11,554	2,102
- Share option expense		-	-
Total Expenses		1,783,706	649,412
Loss before income tax		(1,729,865)	(548,779)
Income tax expense		-	-
Loss for the period attributable to the Company		(1,729,865)	(654,818)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the Company		(1,729,865)	(654,818)
Loss per share			
Basic - cents per share		(0.96)	(0.305)
Diluted - cents per share		(0.96)	(0.305)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Notes	As at 31 Dec 2015	As at 30 Jun 2015
CURRENT ASSETS		\$	\$
Cash and cash equivalents		3,974,127	4,707,554
Other assets		24,538	48,576
TOTAL CURRENT ASSETS		3,998,665	4,756,130
NON-CURRENT ASSETS			
Exploration and evaluation assets	4	949,215	1,978,665
Property, plant and equipment		50,671	62,025
TOTAL NON-CURRENT ASSETS		999,886	2,040,690
TOTAL ASSETS		4,998,551	6,796,820
CURRENT LIABILITIES			
Trade and other payables		161,119	229,523
TOTAL CURRENT LIABILITIES		161,119	229,523
TOTAL LIABILITIES		161,119	229,523
NET ASSETS		4,837,432	6,567,297
EQUITY			
Contributed equity	3	17,398,334	17,398,334
Share option reserve		247,500	247,500
Accumulated losses		(12,808,402)	(11,078,537)
TOTAL EQUITY		4,837,432	6,567,297

The above statement of statement of financial position should be read in conjunction with the accompanying notes.



**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	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 2015	17,398,334	247,500	(11,078,537)	6,567,297
Loss for the half- year	-	-	(1,729,865)	(1,729,865)
Balance at 31 December 2015	<u>17,398,334</u>	<u>247,500</u>	<u>(12,808,402)</u>	<u>4,837,432</u>

The above statement of changes in equity be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Half-Year Ended 31 Dec 2015	Half- Year Ended 31 Dec 2014
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(544,216)	(514,643)
Interest received		53,841	100,633
Net cash used in Operating Activities		(490,375)	(414,010)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(241,4620)	(506,643)
Payments for plant and equipment		(1,432)	(4,218)
Net cash used in Investing Activities		(243,052)	(510,861)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
Net (decrease) / increase in cash and cash equivalents held		(733,427)	(924,871)
Cash at beginning of financial year		4,707,554	6,604,789
Cash and Cash Equivalents at end of the period		3,974,127	5,679,918

The above statement of statement of cash flows should be read in conjunction with the accompanying notes.



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 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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 2015 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* and the Australian Stock Exchange Listing Rules.

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 2015, 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 2015. 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) Critical Accounting Estimates and Judgements

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2015 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 \$831,054 (30 June 2015: \$1,560,153).



NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: REVENUE

Interest Revenue

Half Year Ended 31 Dec 2015	Half Year Ended 31 Dec 2014
53,841	100,633
53,841	100,633

NOTE 3. CONTRIBUTED EQUITY

(a) Issued Capital

180,150,000 Fully paid ordinary shares
(30 June 2015 180,150,000)

As at 31 Dec 2015	As at 30 June 2015
19,030,003	19,030,003
19,030,003	19,030,003

(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 ASSETS

Wiluna (Lakes Way and Yeelirrie)

Opening Balance

Capitalised Costs

Impairment

Closing Balance

As at 31 Dec 2015	As at 30 June 2015
365,985	720,186
76,404	349,454
-	(703,655)
442,389	365,985

Gascoyne (Red Rock and Mortimer Hills)

Opening Balance

Capitalised Costs

Impairment

Closing Balance

288,347	317,119
48,444	75,088
(147,577)	(103,860)
189,214	288,347

North Musgrave

Opening Balance

Capitalised Costs

Impairment

Closing Balance

186,373	71,015
476	115,358
(186,849)	
-	186,373

Narnoo (North and South)

Opening Balance

Capitalised Costs

Impairment

Closing Balance

1,137,960	753,141
90,572	348,819
(910,920)	
317,612	1,137,960

Total exploration and evaluation assets

949,215	1,978,665
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Narnoo tenements E39/1401, E39/1687 and E39/1689 tenements at Narnoo North, and the E28/2096 tenement at Narnoo South were 100% relinquished and E39/1683 was 57% relinquished during the half year ended December 2015.



NOTES TO THE FINANCIAL STATEMENTS

The Gascoyne tenement E52/2122 was 100% relinquished during the half year ended December 2015.

E69/2362 tenement in North Musgrave was 100% relinquished during the half year ended December 2015.

Total impairment costs recognized in the profit and loss for the above relinquishments was \$1,245,346

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 2015	Half Year Ended 31 Dec 2014
Consulting Fees ¹	-	48,000
	-	48,000

¹ Mr Yong Zhang, director is also the director/owner of Ace Win Ltd. Monthly payments of \$8,000 were 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 to a total value of \$120,000. The final monthly instalment was paid in January 2015 where upon the contract was fully discharged.

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 2015	As at 30 Jun 2015
<i>Projects:</i> ¹	\$	\$
Within 1 year ¹	536,174	514,348
More than 1 year but not later than five years ¹	4,134,917	3,893,333
More than five years	520,583	1,041,167
Total	5,191,674	5,448,848
<i>Administration:</i> ²		
Not later than one year ²	276,442	269,898
Later than one year but not later than five years ²	201,305	341,088
More than five years	-	
Total	477,747	610,986
Total commitments	5,669,421	6,059,834

¹ Based on current commitment requirements set by Department Mining and Petroleum and blocks licenced.

² Lease for offices in Sydney between, Zeus Resources and CBRE Pty Ltd executed as at 1 September 2013 and expiring September 2017.

NOTE 10. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2015 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 15 to 22, 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 2015 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 be 'Wang Shouyin'.

Mr. Shouyin Wang
Chairman

Dated this 10th of March 2016



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
Yakabindie	E36/733	W.A.	70	Yeelirrie South	26 Apr 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
Reid	E09/2147	W.A.	16	Mortimer Hills Ext	Application Pending

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 2015, 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 2015 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 2015 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*.

A handwritten signature in black ink that reads 'William Buck'.

William Buck
Chartered Accountants
ABN 16 021 300 521

A handwritten signature in black ink that reads 'L.E. Tutt'.

L.E. Tutt
Partner
Sydney, 10 March 2016