



ZEUS
RESOURCES LTD



Interim Report
For the Half Year Ending
31 December 2016

The information contained in this report is to be read in conjunction
with Zeus Resources Limited's 2016 Annual Report and
announcements released to the market during the half-year period
ending 31 December 2016



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 2016.

Directors

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

Mr. Shouyin Wang
Mr. Jiangang Zhao
Mr. Gregory Clifton Hall
Mr. Yong Zhang

Directors have been in office since the start of the financial year (1 July 2016) to date of this report unless otherwise stated.

Highlights

- The Company currently is investigating gold projects in Laos and Kyrgyzstan, and had a field visit to Laos in December 2016.
- 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

- Administrative and other operational expenditures are within budget. Continued substantial reduction in overheads achieved;
- The Board Meeting and AGM was held in November 2016;
- EGM was held in February 2017.

Tenement Status

No changes to Zeus' previously granted tenement holding during the Half Year. 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.



DIRECTORS' REPORT

The Company is currently operating in a weak uranium market which has affected the rate of exploration and overall progress of exploration and drilling programmes on its tenements. The board remains optimistic about the potential of all of the remaining tenements and the uranium market in general as the fundamentals of the market suggest that there is currently an annual demand for approximately 75,000,000 kg of uranium. Investment opportunities in other rare earths and metal operations are also being currently pursued. See Chart 1 below:

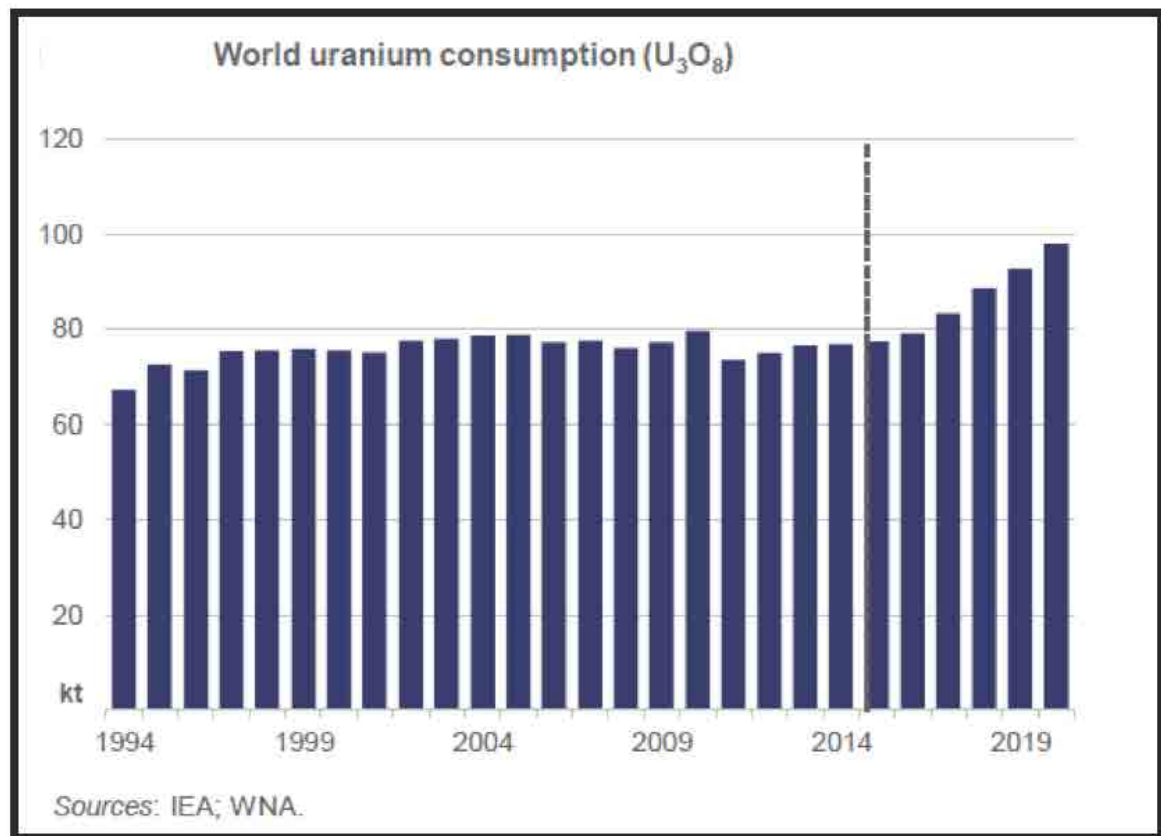


Chart 1: World Uranium consumption prediction.

http://www.minerals.org.au/resources/uranium/uranium_nuclear_forecasts

The Company has further investigated mining opportunities in Laos and Kyrgyzstan. A site visit was made in December 2016 to Laos. A representative of the Company met with mining department officials to facilitate and visit potential project sites in Laos.

The Company entered into a Joint Venture agreement with Segue Limited last year in regards to its Mortimer Hill Project tenement E09/1681. Segue Limited reported in its latest quarterly activities update that they are 'on-target' to achieve the conditions of the farm-in agreement by "Q2 2017". Segue planned to undertake a "detailed soil sampling" programme in February 2017.

For detailed information refer to the link: <http://www.asx.com.au/asx/share-price-research/company/SEG>.



DIRECTORS' REPORT

Shareholders at the 2016 AGM voted in favour of a spill resolution (the "2nd Strike Rule" amendment to the Corporations Act which came into effect on July 1, 2011) Nominations for directorships were opened and notice of the Extraordinary General Meeting to be held within 90 days was sent to shareholders.

The Company did not receive any nominations for the positions other than from the sitting board members. The EGM was held on 8th February 2017, whereby all of the existing directors were re-elected as a result of the poll.



DIRECTORS' REPORT

Exploration Program

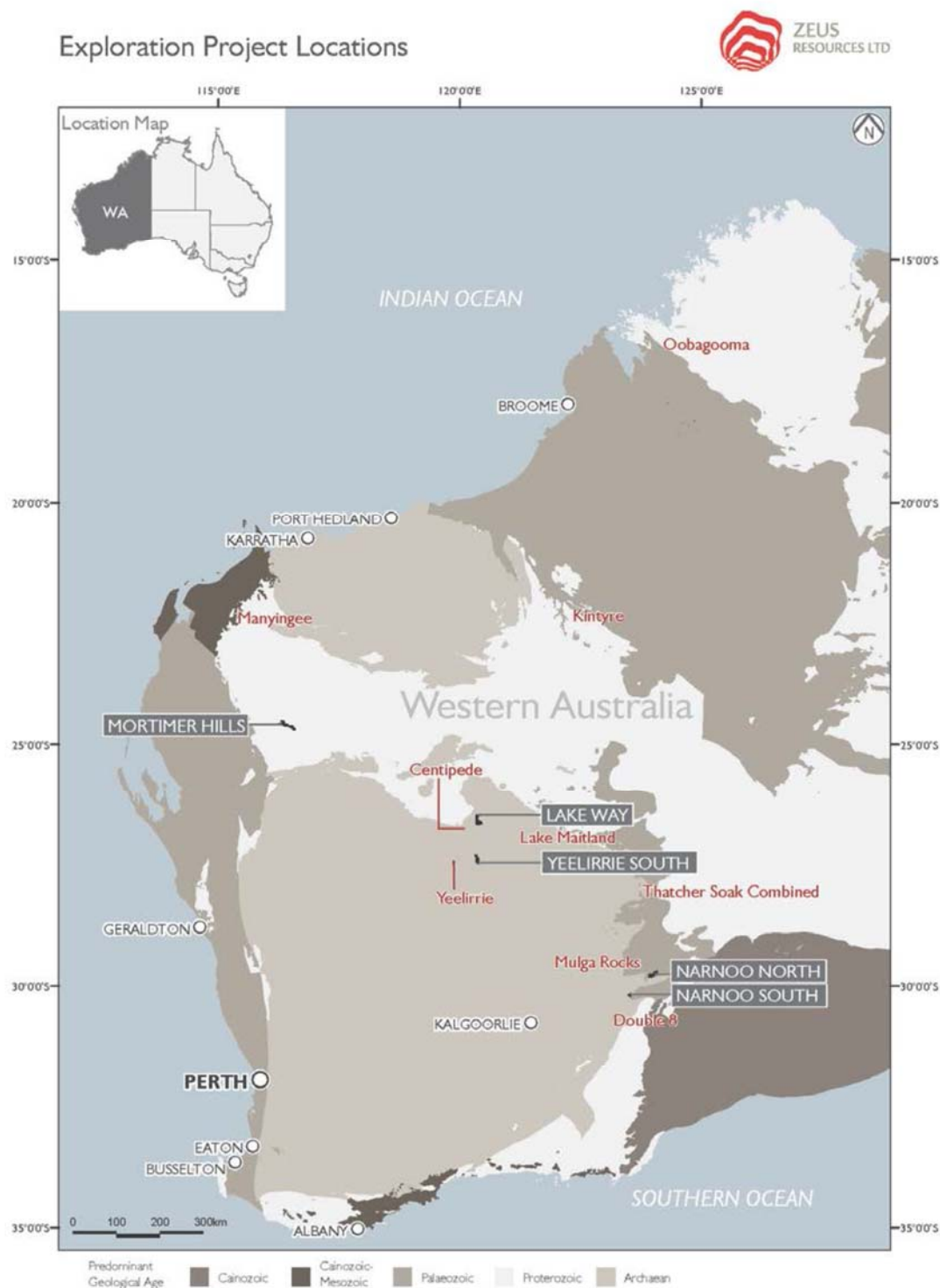


Figure 1: Current Exploration Project Locations



DIRECTORS' REPORT

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 South	E 28/2097	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Gascoyne	Mortimer Hills	E 09/1618	Granted	Zeus Resources Ltd	Segue Resources Ltd	Joint Venture Project
		E 09/2147	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Granted 15/09/16
Table 1. Zeus Resources Tenement Details						

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.

Work on the Mortimer Hills Joint Venture continued with a stream sediment geochemical sampling programme undertaken, and reported on in more depth, by joint venture partner Segue Resources Ltd.

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 programme 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.

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

Approval for this drilling programme has been granted by the DMP, and Aboriginal heritage clearance also obtained for these drill locations within the Lake Way and Yeelirrie South Project areas.

Zeus will investigate viable opportunities for the proposed drilling during the next reporting period.

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.



DIRECTORS' REPORT

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

Approval for this drilling programme 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.

The Narnoo South project remains an area of strong interest for Zeus, and as at the Wiluna Project options for follow up drilling of the Narnoo South (E28/2097) uranium prospect are currently being explored.

Gascoyne Project

During the reporting period, joint venture partner Segue Resources Ltd carried out a stream sediment survey and a geochemical review over E09/1618. A total of 160 Stream sediment samples were collected over the tenement at an average sample density of 2.5 samples per square kilometre.

Results from the stream sediment programme over E09/1618, and the wider project region, showed a strong correlation amongst the LCT Pegmatite pathfinder elements Li-Cs-Ta + Be, Rb, Nb, Sn. More specifically the samples collected over E09/1618 highlighted some weak anomalism in the vicinity of Camel Hill where stream sediment sampling did not quite cover the entire prospective area (see Figure 2 below).

This work has continued to support the projects prospectivity to host LCT pegmatites.

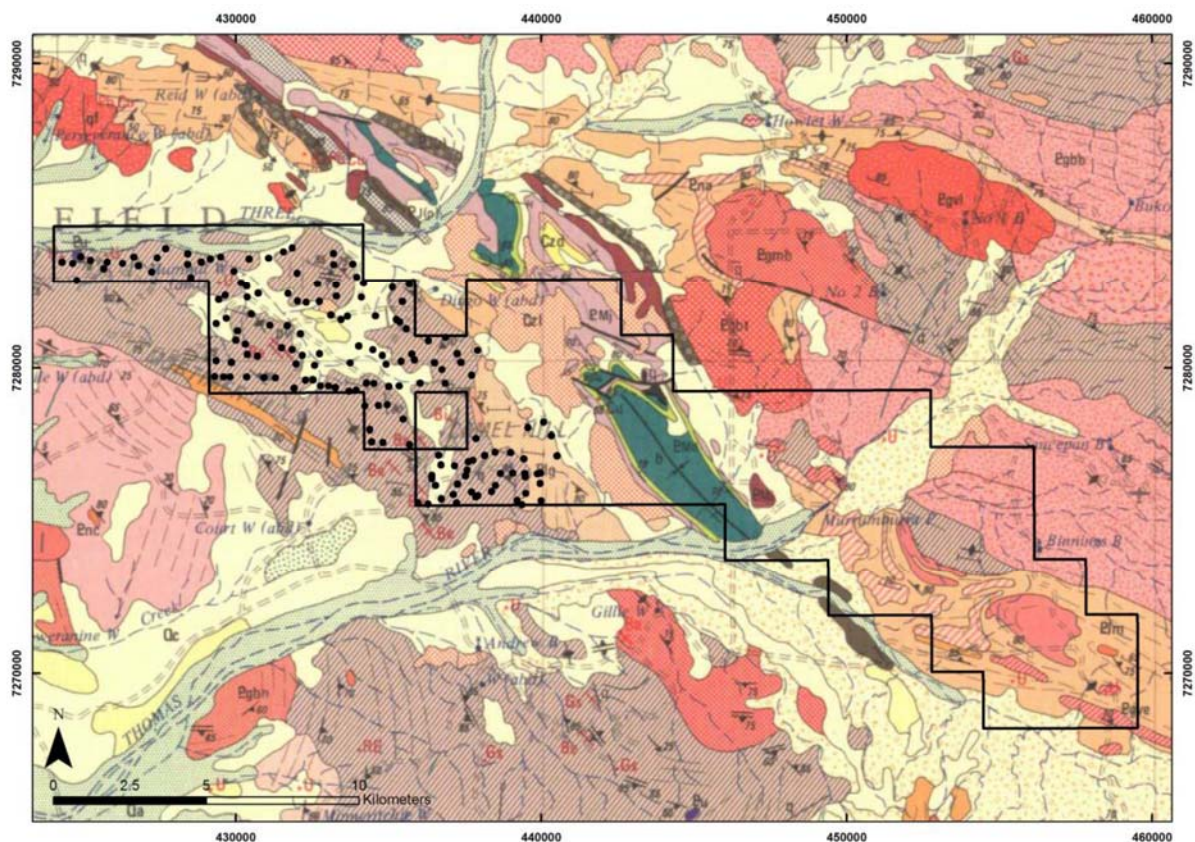


Figure 2. Sample locations on 250k Geology within tenement E09/1618. Anomalous sample locations at Camel Hill highlighted in red.

(Source: Segue Resources Ltd 'Gascoyne Lithium – E09/1618 Update January 2017' to Zeus Resources Ltd)



DIRECTORS' REPORT

A follow-up stream sediment sampling programme is anticipated to be completed in the Q3 FY17 by Segue Resources to allow further evaluation of the prospectivity of the Camel Hill Prospect to be undertaken.

It is estimated that a further 20-60 stream sediment samples will be collected and analysed from E09/1618 to allow evaluation of the Camel Hill Prospect.

Also 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.

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.



DIRECTORS' REPORT

Results of Operations

For the half-year ended 31st December 2016 the Company recorded a loss of \$564,488 (31 December 2015: Loss \$1,729,865).

Total exploration expenditure for the half-year was \$99,170, net of refunds of rent and rates of \$14,256 (31 December 2015: \$241,620), \$113,056 was capitalised to exploration assets (31 December 2015: \$215,897).

Significant changes in state of affairs

There were no significant changes in the state of the affairs of 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 2016 (31 December 2015: Nil)

Events subsequent to the end of the reporting period

A General Meeting was held on the 8th of February 2017 due to the "second strike" rule. As a result of the meeting the incumbent Directors and Chairman were formally re- elected to the prior board positions.



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 2016 has been received and can be found on page 13 of this interim report.

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

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

Mr. Shouyin Wang
Chairman

Dated this 9th of March 2017

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 2016 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, 9 March 2017

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	Half-Year ended 31 Dec 2016	Half-Year ended 31 Dec 2015
		\$	\$
Revenue from ordinary activities	2	44,770	53,841
Less expenses:			
Corporate and administration costs			
- Accounting and Audit Fees		42,452	46,336
- Company secretarial and compliance		13,176	28,296
- Computers and communications		10,266	12,597
- Directors' fees and expenses		93,658	143,819
- Employee salaries and benefits		19,833	58,558
- Finance costs		3,425	-
- Insurance		11,422	9,732
- Legal and consultants' fees		(9,534)	20,123
- Rent and utilities		141,994	126,719
- Share registry maintenance and listing fees		29,965	23,443
Exploration and evaluation costs		247,141	1,271,069
Business development costs			
- Business development salaries		960	19,210
- Travel and accommodation		716	897
Other expenses from ordinary activities			
- Depreciation		3,784	11,353
- Other expenses		-	11,554
Total Expenses		609,258	1,783,706
Loss before income tax		(564,488)	(1,729,865)
Income tax expense		-	-
Loss for the period attributable to the Company		(564,488)	(1,729,865)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the Company		(564,488)	(1,729,865)
Loss per share			
Basic - cents per share		(0.31)	(0.96)
Diluted - cents per share		(0.31)	(0.96)

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 2016

	Notes	As at 31 Dec 2016	As at 30 Jun 2016
CURRENT ASSETS		\$	\$
Cash and cash equivalents		2,895,031	3,479,245
Other assets		53,045	10,424
TOTAL CURRENT ASSETS		2,948,076	3,489,669
NON-CURRENT ASSETS			
Exploration and evaluation assets	4	929,420	1,087,740
Property, plant and equipment		37,820	41,603
TOTAL NON-CURRENT ASSETS		967,240	1,129,343
TOTAL ASSETS		3,915,316	4,619,012
CURRENT LIABILITIES			
Trade and other payables		119,494	258,702
TOTAL CURRENT LIABILITIES		119,494	258,702
TOTAL LIABILITIES		119,494	258,702
NET ASSETS		3,795,822	4,360,310
EQUITY			
Contributed equity	3	17,398,334	17,398,334
Accumulated losses		(13,602,512)	(13,038,024)
TOTAL EQUITY		3,795,822	4,360,310

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 2016**

	Contributed Equity	Share option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2016	17,398,334	-	(13,038,024)	4,360,310
Loss for the half-year	-	-	(564,488)	(564,488)
Balance at 31 December 2016	<u>17,398,334</u>	<u>-</u>	<u>(13,602,512)</u>	<u>3,795,822</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 2016

	Notes	Half-Year Ended 31 Dec 2016	Half- Year Ended 31 Dec 2015
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(541,295)	(544,216)
Interest received		45,903	53,841
Net cash used in Operating Activities		(495,392)	(490,375)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(98,822)	(241,620)
Payments for plant and equipment		-	(1,432)
Sale of Exploration Assets		10,000	-
Net cash used in Investing Activities		(88,822)	(243,052)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
Net (decrease) / increase in cash and cash equivalents held		(584,214)	(733,427)
Cash at beginning of financial year		3,479,245	4,707,554
Cash and Cash Equivalents at end of the period		2,895,031	3,974,127

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**Basis of accounting**

The principal accounting policies adopted are consistent with those of the previous Financial Year ended June 2016 and the corresponding interim reports unless otherwise stated.

This general purpose financial report for the interim half year reporting period ended 31 December 2016 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 2016 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.

NOTE 2: REVENUE

Interest Revenue

Half Year Ended 31 Dec 2016	Half Year Ended 31 Dec 2015
44,770	53,841
<u>44,770</u>	<u>53,841</u>

NOTE 3. CONTRIBUTED EQUITY

(a) Issued Capital

180,150,000 Fully paid ordinary shares
(30 June 2016 180,150,000)
Issue costs

As at 31 Dec 2016	As at 30 June 2016
19,030,003	19,030,003
(1,631,669)	(1,631,669)
<u>17,398,334</u>	<u>17,398,334</u>

(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.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. EXPLORATION AND EVALUATION ASSETS

	As at 31 Dec 2016	As at 30 June 2016
	\$	\$
Wiluna (Lakes Way and Yeelirrie)		
Opening Balance	492,343	365,985
Capitalised Costs	54,555	126,358
Impairment	-	-
Closing Balance	<u>546,898</u>	<u>492,343</u>
Gascoyne (Mortimer Hills & Reid)		
Opening Balance	244,532	288,347
Capitalised Costs	4,188	103,762
Impairment	-	(147,577)
Closing Balance	<u>248,720</u>	<u>244,532</u>
Narnoo (North and South)		
Opening Balance	350,865	1,137,960
Capitalised Costs	54,314	123,825
Impairment	(271,377)	(910,920)
Closing Balance	<u>133,802</u>	<u>350,865</u>
Total exploration and evaluation assets	<u>929,420</u>	<u>1,087,740</u>

Tenement Narnoo - E39/1683 - was sold and payment received as at 31 December 2016. However the title had yet to be transferred to the purchaser. Total impairment costs recognized in the profit and loss for the E39/1683 relinquishment was \$261,377 as cash proceeds of \$10,000 were received on disposal.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. RELATED PARTY TRANSACTIONS**Key Management Personnel**

The totals of remuneration paid to the KMP of the company during the half year ended 31 December 2016 are as follows:

	Half Year Ended 31 Dec 2016	Half Year Ended 31 Dec 2015
Short term employee benefits/Fees ^{1,2,3}	218,195	257,909
Post- employment benefits	-	25,593
Total KMP compensations	218,195	283,502

¹ Fees of \$8,250 were payable to Golden Phoenix International - director's fees for Mr Greg Hall.

² Fees of \$7,500 were payable to Heng Ji Pty Ltd - director's fees for Mr Yong Zhang.

³ Fees of \$20,000 were payable to ZIMC Ltd - director's fees for Mr Shouyin Wang & Mr Jiangang Zhao.

Other transactions with related parties

Mr James Zadko – a former director, holds 1,643,609 shares directly or via nominees, these shares were issued as a result of the acquisition by the Company of all the shares in Kalium Corporation Limited pursuant to the Kalium Share Exchange Agreement between Zeus Resources Ltd, Kalium and the Kalium shareholders dated 12 August 2010 as subsequently amended. Options issued pursuant to the River Rock Option Agreement have all now expired.

Mr Andrew Whitten – Former Company Secretary holds 210,000 shares directly or via nominees. A monthly service retainer existed between Whittens and Zeus Resources for company secretarial services. The service retainer agreement was terminated with Whittens in February 2016. – total fees paid for the period ended 31st December 2016 were nil. (30 June 2016: \$30,172 paid and nil outstanding). Mr A Whitten also has interest in Whittens & McKeough Pty Ltd who have acted as the Company solicitors in previous financial years.

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 2016	As at 30 Jun 2016
<i>Projects:</i> ¹	\$	\$
Within 1 year ¹	184,000	349,000
More than 1 year but not later than five years ¹	1,558,000	2,713,750
More than five years	756,000	646,000
Total	<u>2,498,000</u>	<u>3,708,750</u>
<i>Administration:</i> ²		
Not later than one year ²	185,900	283,151
Later than one year but not later than five years ²	-	57,937
More than five years	-	-
Total	<u>185,900</u>	<u>341,088</u>
Total commitments	<u>2,683,900</u>	<u>4,049,838</u>

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 4 September 2017.

NOTE 10. EVENTS SUBSEQUENT TO REPORTING DATE

A General Meeting was held on the 8th of February 2017 due to the "second strike" rule. As a result of the meeting the incumbent Directors and Chairman were formally reelected to the prior board positions.

No matter or circumstance, apart from the abovementioned EGM, has arisen since 31 December 2016 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 14 to 21, 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 2016 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 9th of March 2017



TENEMENT SCHEDULE

Licence Name	Licence Number	State/ Territory	Area	Project	Date Expires/Note
Harvey Well	E53/1601	W.A.	22	Lake Way	14 Feb 18
Shannon Well	E56/1604	W.A.	34	Lake Way	14 Feb 18
Lake Uramurdah	E53/1603	W.A.	8	Lake Way	14 Feb 18
Yakabindie	E36/733	W.A.	42	Yeelirrie South	26 Apr 21
Great Victoria Desert	E28/2097	W.A.	11	Narnoo	08 May 21
U20	E09/1618	W.A.	62	Mortimer Hills	15 May 21
Reid	E09/2147	W.A.	16	Mortimer Hills Ext	14 Sep 21

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 2016, 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 2016 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

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

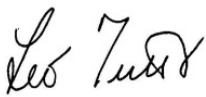
Conclusion

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 2016 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*.



William Buck
Chartered Accountants
ABN 16 021 300 521



L.E. Tutt
Partner
Sydney, 9 March 2017