

## **QUARTERLY ACTIVITIES REPORT**

### **For the period ending 31<sup>st</sup> December 2016**

The Board of Zeus Resources Limited is pleased to release its Second Quarterly Activities Report covering the period ending 31<sup>st</sup> December 2016.

#### **Highlights**

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

#### **Corporate and Financial**

- Quarterly administrative and other operational expenditures are within budget;
- The Board Meeting and AGM was held in November 2016;
- The EGM will be held in February 2017.

#### **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

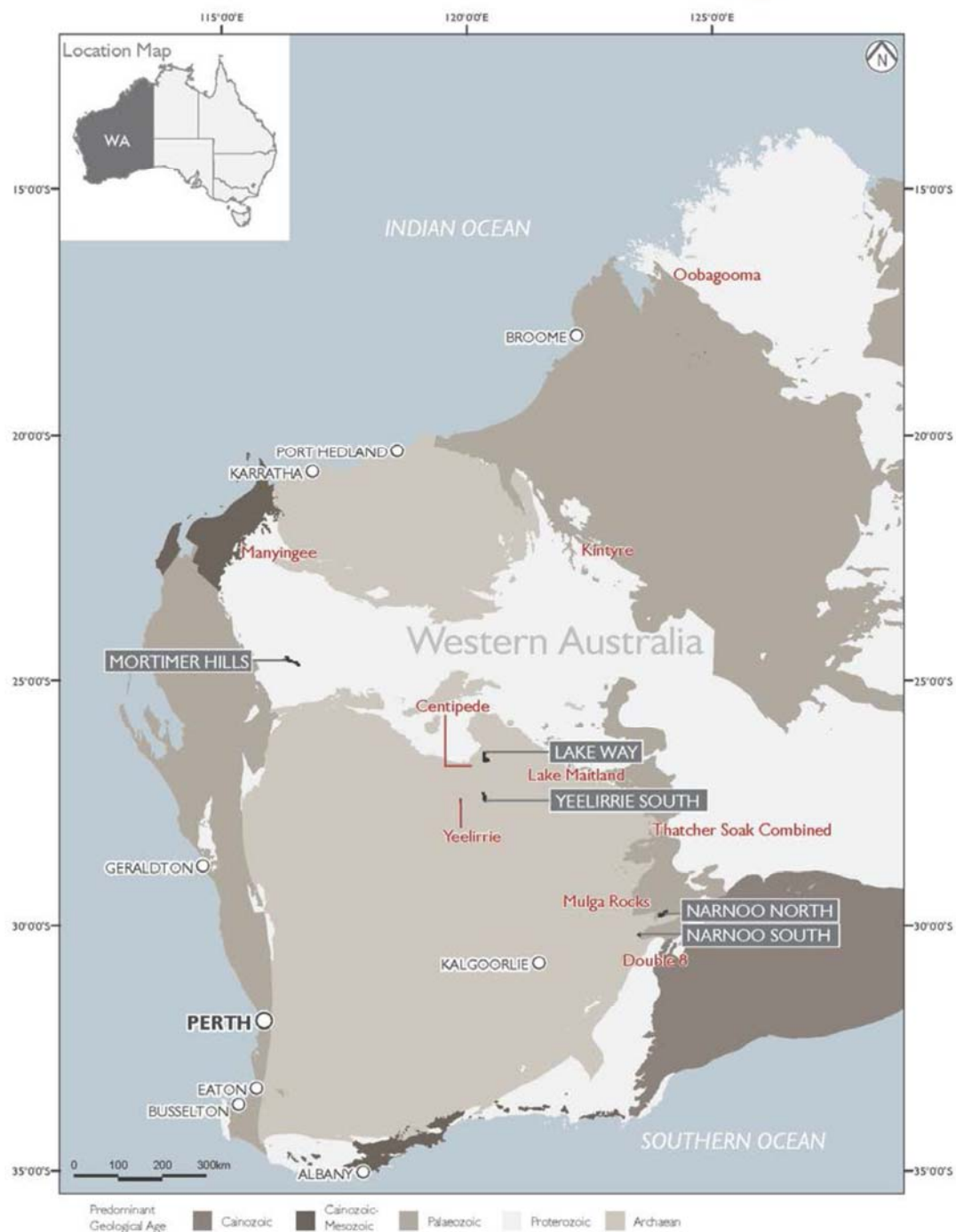


Figure 1. Zeus Resources Tenement Location Map.

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	Segue Resources Ltd	
		E 09/2147	Granted	Zeus Resources Ltd	Zeus Resources Ltd	Granted 15/09/16
Table 1. Zeus Resources Tenement Details						

### **Exploration Program**

No fieldwork was completed during the quarter on tenements managed by Zeus Resources Ltd, however a stream sediment geochemical sampling program was undertaken at Mortimer Hills by joint venture partner Segue Resources Ltd.

### **Wiluna Project**

Zeus continues to explore options for follow up drilling on the Lake Way and Yeelirrie South Projects.

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.

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, and Aboriginal heritage clearance also obtained for these drill locations within the Lake Way and Yeelirrie South Project areas.

### **Narnoo Project**

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.

The follow up drilling program of 12 (priority 1) holes at Narnoo South is designed to confirm uranium grade and thicknesses within the Driller's Palaeochannel which was 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, 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 program 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.

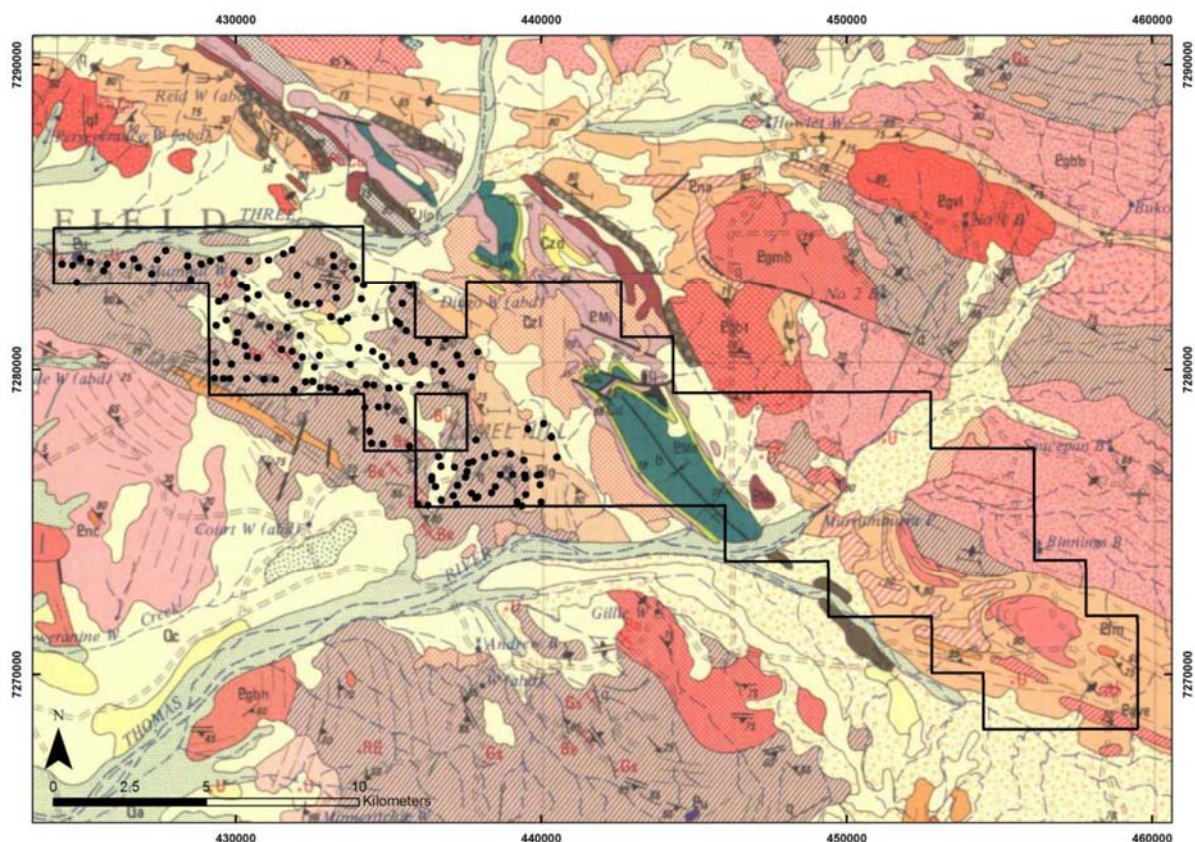


Figure 2. Sample locations on 250k Geology within tenement E09/1618. Anomalous sample locations at Camel Hill highlighted in red.

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

A follow-up stream sediment sampling program is anticipated to be completed in the next quarter 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.

Discussions with Segue Resources Ltd will also take place during the next quarter with regard to potentially incorporating newly granted tenement E09/2147 in to the Mortimer Hills Joint Venture.

**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.*