

QUARTERLY ACTIVITIES REPORT

For the period ending 31 March 2016

The Board of Zeus Resources Limited is pleased to release its Third Quarterly Activities Report covering the period ending 31 March 2016.

Highlights

- Program of Work and Aboriginal Heritage Clearance approvals obtained for drilling on the Wiluna Project;
- Program of Works for Narnoo Project drilling currently being reviewed by the DMP;
- Farm-in and Joint Venture Agreement signed for Mortimer Hills tenement in the Gascoyne Project.

Corporate and Financial

- Quarterly administrative and other operational expenditures are within budget;
- The Half Year Review has been finalised and lodged with ASX;
- The resignation of Mr Andrew Witten as Secretary from the company be accepted effective from 17/02/2016. Ms Shelly Peters from Azure has been appointed as the new company secretary since then;
- Board meeting was held on 6th April by Tele-conference;
- Zeus has appointed Mr Warrick Clent as the contract geologist. Mr Clent has a degree in Geology, and with 21 years of technical mining and exploration operations experience globally.

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

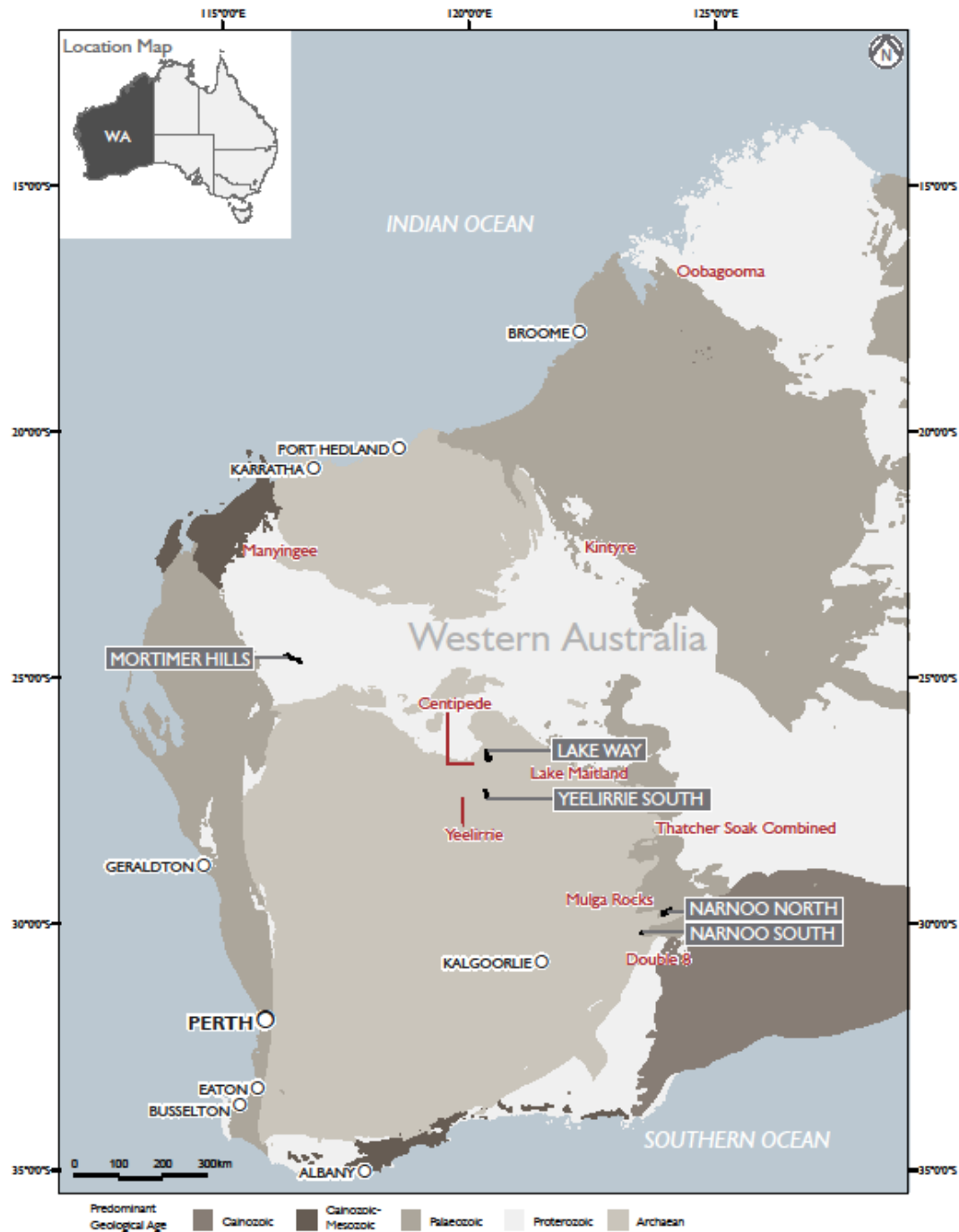


Figure 1.

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 planning for the proposed follow up drilling on the Lake Way and Yeelirrie South Projects was undertaken.

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

Work during the reporting period continued to focus on data capture/review from historical exploration reports and its incorporation into Zeus' geological model.

This data has been used to develop a drilling program of 12 (priority 1) holes at Narnoo South (E28/2097) in order to confirm uranium grade and thicknesses within the Driller's Palaeochannel identified during the drilling program conducted in May 2015.

Approval for a Program of Works (PoW) previously submitted to the DMP for review is yet to be granted following a request from the DMP for Zeus to liaise further with the Department of Parks

and Wildlife on minor aspects of the proposed program. This liaison is ongoing and it is expected that approval from the DMP for the revised PoW will be obtained in the next reporting period.

Zeus currently plans to undertake the proposed drilling in the second half of 2016.

Gascoyne Project

Work during the reporting period comprised ongoing review, data entry and analysis of historical exploration data within the region.

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

Subsequent Events

On the 19th April 2016 Zeus Resources Ltd announced that it had entered into a farm-in joint venture (Mortimer Hills JV) with Segue Resources Limited (ASX: SEG) (**Segue**). The Mortimer Hills JV covers the granted exploration licence E09/1618 (Figure 2).

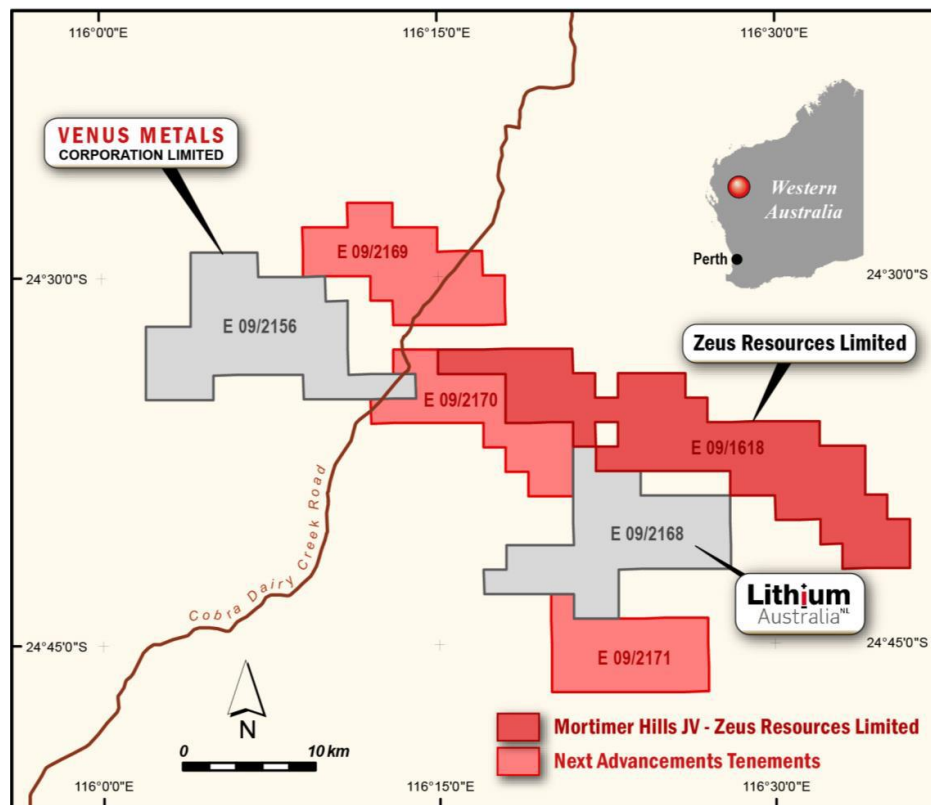


Figure 2: Tenement location map

Segue will immediately undertake a maiden exploration programme at the Mortimer Hills JV, in conjunction with the existing exploration work being undertaken at Segue's other tenements in the Gascoyne region.

The field work and surface sampling will seek to identify pegmatites which are more fractionated and have the potential to host tantalum-lithium deposits. The map below (Figure 3) shows biotite-

muscovite bearing granitic intrusions which are potentially the source rock for LCT (Lithium-Caesium-Tantalum) rare-earth pegmatites.

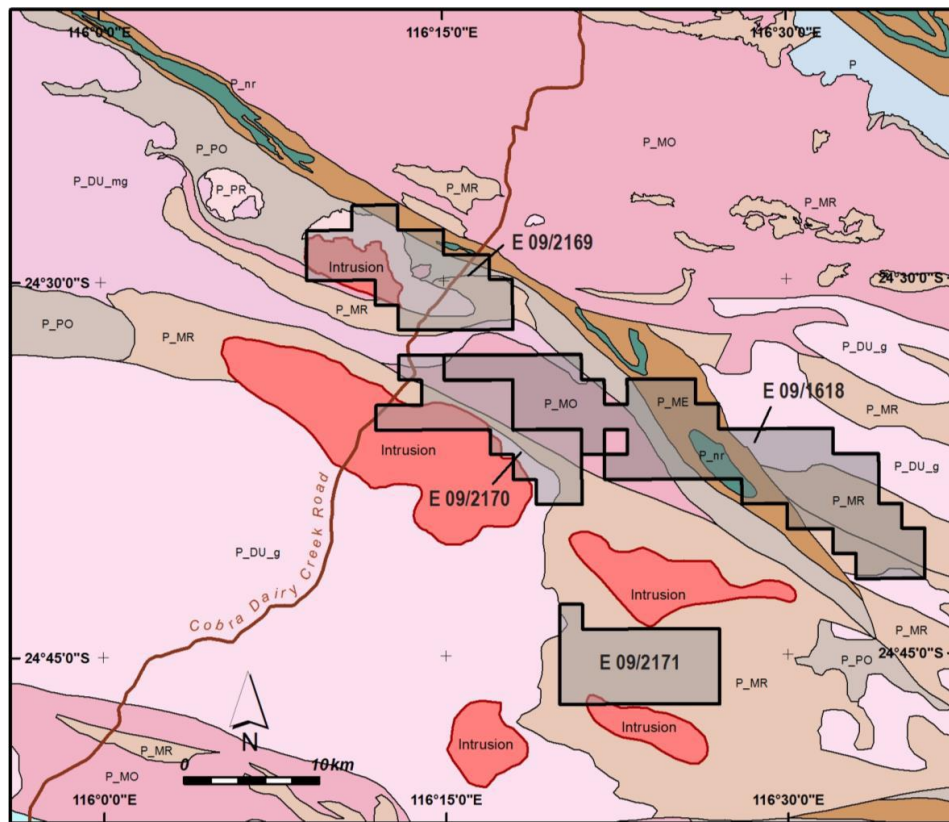


Figure 3: Simplified geological map showing biotite-muscovite intrusions

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.

For further information visit www.zeusresources.com or contact:

Zeus Resources Limited

Mr Jiangang Zhao
Acting CEO & Director
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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.