ZEUS
RESOURCES LTD

ABN 70 139 183 190

Zeus Resources Limited

Financial Report

for the year ended 30 June 2013

CONTENTS

The Directors of Zeus Resources Limited (Zeus or the Group) have pleasure in submitting their directors' report together with the consolidated financial statements of Zeus Resources Ltd and controlled entities for the year ended 30th June 2013.

Review of operations

The financial year ended 30th June 2013 was a significant year for the Group, targeting uranium discoveries in seven project areas of about 5,700 km² in Western Australia, the cornerstone investment by ZIMC and the initial public offering and trading of the Company's shares on the Australian Securities Exchange (ASX).

The Group appointed Peter Williamson as CEO on the 8th May 2013. Mr Williamson is reviewing the current tenement exploration plans and investigating additional later stage investments for the Group.

Results of Operations

For the year ended 30th June 2013 the Group recorded an after tax loss of $5,820,265 (2012:Loss $1,367,167) that includes an impairment write down of exploration assets of $2,916,027.

Significant changes in state of affairs

1. A Cornerstone Subscription Investment Agreement was executed with Zhengyuan International Mining Co. Limited (ZIMC), a wholly owned subsidiary of the Chinese State Owned Enterprise, China Metallurgical Geological Bureau (GMGB) on 16 July 2012. The agreement provided for a subscription by ZIMC of 57,650,000 shares at $0.20 per share to raise $11,530,000 as part of the overall Initial Public Offering of Zeus' securities on the ASX where it was proposed that a total of$13,530,000 is raised from the public and ZIMC. Post the IPO, ZIMC owns 32% of the shares in Zeus. Zeus agreed to pay ZIMC a fee of $1,530,000 as placement fee in consideration for ZIMC subscribing for the 57,650,0000 IPO shares.
2. The subscription by ZIMC was conditional upon certain regulatory approvals being obtained to allow ZIMC to make the investment in Zeus. All of the following approvals were received during the year;

a. ZIMC obtained FIRB approval – FIRB approval granted on 12 September 2012
b. ZIMC obtained PRC regulatory approval – NDRC and PRC approval granted on 26 September 2012
c. Zeus Shareholder approval – granted at EGM 28 September 2012
d. Termination of previously approved arrangement with Vast Honour Holding Ltd pursuant to the Share Purchase Agreement (Vast Holding Agreement) between Zeus, Vast Honour Holding Ltd, Vast Honour Global Limited and Whittens McKeough Pty Ltd dated 1/11/11 in relation to the $10 million worth of shares in Zeus as amended by the Deed of Variation dated 16/11/12, the Deed of Variation dated 1/5/12 and the further Variation Deed dated 1/7/12, and
e. Zeus having lodged a prospectus with ASIC in a form reasonably acceptable by ZIMC.

3. On 15 August 2012 Zeus entered into a Loan Agreement with Vast Honour Global Limited, the lender, whereby the sum of $400,000 was advanced to Zeus by the lender. The interest payable on the loan amount was 12% and the term was 12 months. This loan was repaid in full during the financial year.
4. On 15 October 2012 the Group entered into a loan agreement with Barbary Coast Investments Pty Limited whereby Barbary made available $500,000 to the Group. The Interest payable on the loan amount was 12% and the term was 12 months. This loan was repaid in full during the financial year and the charge held by Barbary Coast Investments Pty Limited has been discharged.
5. On 26 September 2012 Zeus entered into a Service Agreement with Ian de Renzie Duncan as CEO of the Group. The base salary was $300,000 plus statutory superannuation. The CEO was also entitled to, subject to Board Approval, a discretionary performance-related payment of an amount up to 25% of base salary based on the CEO's work performance. This Service Agreement was terminated on 25th February 2013.

Zeus Resources Limited was admitted to the official list of The Australian Securities Exchange on 17 January 2013. The Group's securities commenced trading on 21 January 2013. The Group completed a capital raising of net $12 million (before costs).

The Group is in its first year of listing as a public company and this is the first Financial Report prepared by the company, as a listed company.

Principal activities

The principal activity of the Group during the year was the exploration for uranium and the assessment of options for investment in multi-commodity mining assets.

No change in the principal activity occurred during this period.

Directors

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

1 Mr Chuanxi Ding (appointed 23 February 2013) - Chairman
2 Dr Michael Anthony Etheridge (18 September 2010) – Deputy Chairman
3 Mr Jiangang Zhao (appointed 23 February 2013)
4 Mr Gregory Clifton Hall (appointed 18 August 2010)
5 Mr Yong Zhang (appointed 23 February 2013)

The following directors resigned during the year:

1 Mr Andrew John Whitten (resigned 19 July 2012)
2 Mr Raymond Laurence Whitten (resigned 16 August 2011)
3 Mr James Robert Zadko (resigned 20 September 2012)
4 Ian de Renzie Duncan (contract terminated 25 February 2013)

Mr Chuanxi Ding - Chairman

B. Project Management (University of Beijing University of Science and Technology)
MBA (University of Peking)

From 1986 – 2003, Mr Ding worked at the Shandong Office of the China Metallurgical Geological Bureau where he rose to the position of Deputy General Manager. From 2003 – 2005, Mr Ding was a Director of the Investment Department of the China Metallurgical Geological Bureau in Beijing and from 2005- 2013 has been the Chairman and Chief Executive Officer of Zhengyuan International Mining Company Limited.

Dr Mike Etheridge - Deputy Chairman

B.Sc (Hons) (University of Sydney University)
PhD (Australian National University)
FTSE, FAIG, FAICD

Mike Etheridge is a geologist who has had a varied career in universities, a government research organisation and in industry. He co-founded the geoscience consultancy business Etheridge & Henley (later Etheridge Henley & Williams – 'EHW') in 1990. EHW grew to over 30 staff on three continents before it merged with the global SRK Consulting group to become SRK's Australasian business in 1997. In 2004 Mike left SRK Australasia, where he was Chairman, to pursue a career as a professional company director in the resources and related R&D sectors.

Mike is currently non-executive Chairman of ABM Resources Ltd (ASX:ABU) and of Clancy Exploration Ltd (ASX:CLY), and non-executive Director of DET CRC Ltd (a collaborative research organisation involving the mining industry, universities and government research bodies).

Mike was previously a non-executive Director of Lihir Gold Ltd prior to its merger with Newcrest Ltd, Consolidated Minerals Ltd prior to its takeover by Palmary plc, Ballarat Goldfields NL prior to its takeover by Lihir Gold, and of Ariana Resources plc (AIM) and Geoinformatics Exploration Inc (TSX-V). He was also Chairman of the Boards of the Predictive Mineral Discovery CRC and AuScope Ltd, in the public sector R&D space.

Mike Etheridge is a Fellow of the Australian Academy of Technological Sciences and Engineering, the Australian Institute of Company Directors, the Society of Economic Geologists and the Australian Institute of Geoscientists.

Mr Yong Zhang - Non-Executive Director

B. Engineering (Shandong Construction College)

Mr Yong Zhang has had an extensive career in property development, real estate sales and investment. Mr Zhang has extensive property interests in China with over 1,600 employees. Mr Zhang was instrumental in securing the cornerstone investment in Zeus by China Metallurgical Geological Bureau, via its subsidiary Zhengyuan International Mining Company Limited.

Mr Gregory Clifton Hall - Non-Executive Director

B. App Sc. (University of New South Wales)

Mr Greg Hall is a seasoned geologist with over 35 years of international experience. From 1988-2005, he was employed by the Placer Dome group of companies, serving as Chief Geologist -World Wide during the last five years he was there. Placer Dome was acquired by Barrick Gold Corporation in early 2006.

Over the course of his illustrious career, Mr Hall had a senior role in the discoveries of both Barrick Gold's Granny Smith mine and Rio Tinto's Yandi iron ore mine. In addition, he took part in the discoveries of Keringal and Wallaby in Australia's Eastern Goldfields, as well as the definition of AngloGold Ashanti's Sunrise gold mine.

Mr Jiangang Zhao - Non-Executive Director

BA Northwest A&F University
MA Research Institute for Fiscal Science

Mr Jiangang Zhao holds a Bachelor of Accounting, a Master of Finance and a Master of Accounting. Presently, Mr Zhao is a manager of the Department of Finance of Zhengyuan International Mining Company Limited.

Company Secretary

Mr Andrew Whitten is the Company Secretary. Mr Whitten is an admitted solicitor with a speciality in Corporate Finance and Securities law and is a Solicitor Director of Whittens Lawyers & Consultants. Mr Whitten is currently the company secretary of a number of publicly listed companies. He is a responsible officer of a Nominated Advisor to the National Stock Exchange of Australia Limited. He holds a Bachelor of Arts (Economics UNSW); Master of Laws and Legal Practice (UTS)and a Graduate Diploma in Applied Corporate Governance from the Institute of Chartered Secretaries.

Ian De Renzie Duncan - contract terminated

Renzie has over 17 years professional experience as a lawyer and executive in commercial undertakings and mining. Renzie began his law career at Blake Dawson Waldron in 1986. In 1993, Renzie moved to Kazakhstan to manage the mining office of Blake Dawson Waldron. Renzie remained in Kazakhstan for five (5) years working for Canadian, American and Australian mining houses.

In 1997, Renzie commenced practice as a barrister at the Sydney bar where he specialised in resources and commercial law.

In 2001, Renzie took a position with leading international law firm Coudert Frères (Coudert Brothers) in Paris. During this, Renzie managed to found and operate France's first English language radio station.

On returning to Australia, Renzie has worked exclusively in the resources sector with Macquarie Bank (ASX: MBL), Poseidon Nickel (ASX: POS), Goldstake Exploration and Whittens Lawyers and Consultants.

James Robert Zadko - resigned

James has over 30 years of professional experience in petroleum engineering and management in exploration and production in many parts of the world with a primary focus in the Asia Pacific, Europe and North America.

Between 1973 and 1990, James worked for Dresser Industries, a major multi-national petroleum and mining corporation from the United States, in a number of engineering and managerial roles including Chairman and Managing Director of the Asia Pacific Region.

Prior to this, between 1990 and 1996 James sat on the boards of several oil and gas companies in both an executive and non-executive role.

In 1996, James became a co-founder and the CEO of the Canadian public oil company, North Sun Energy Limited. Between 1996 and 2001, North Sun Energy Limited was successful in obtaining a number of licenses in Italy and since then three (3) discovery wells were drilled in the Po Valley. The Company is listed on the ASX as Po Valley Energy Limited (ASX: PVE) and has traded up to a market capitalisation of approximately $180 million and has booked proven reserves of approximately 150bcf.

In 2002, James founded Arrowhead Energy Limited, an oil and gas exploration and production company operating in the Asia Pacific. Through Arrowhead, a number of assets were gathered in the Asia Pacific and Central Asia region.

Environmental Regulations

The Group is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

The Group is aware of its responsibility to impact as little as possible on the environment and if and when there is any disturbance, to rehabilitate sites. During the period under review the majority of work carried out was in Western Australia. The Group followed procedures and pursued objectives in line with guidelines published by the WA State Government and granting of exploration license application conditions. These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives and any local conditions applicable. During the period ended 30th June 2013 there have been no known material breaches of the environmental obligations of the Group's contracts or licences. (2012: None).

Dividends

No dividends have been declared in respect of the year ended 30th June 2013 (2012: Nil)

Events subsequent to the end of the reporting period

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or in the financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' interest

The Directors' beneficial interest in shares and options as at the date of this report are:

Director	Shares			Options
	Direct	Indirect	Total	
Dr Mike Etheridge	10,000	1,000,000	1,010,000	-
Mr Chuanxi Ding [1]	-	57,650,000	57,650,000	-
Mr Jiangang Zhao [2]	-	57,650,000	57,650,000	-
Gregory Clifton Hall	10,000	10,000	20,000	-
Mr Yong Zhang [3]	-	57,534,500	57,534,500	-
Total	20,000	173,844,500	173,864,500	Nil

1. Mr Chuanxi Ding is a director and controller of Zhenyuan International Mining Company Ltd., which holds the relevant interest in Zeus Resources
2. Mr Jiangang Zhao as a nominee director appointed to Zhengyuan International Mining Company Ltd and has power to exercise or control the exercise of the voting rights attached to the securities in Zeus Resources.
3. Mr Yong Zhang is a director of and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus Resources.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of the Group and for the key Group executives receiving the highest remuneration.

Remuneration Policy

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board. All executives receive remuneration based on factors such as length of service and experience. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the consolidated entity strategic objectives.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Director remuneration is not reflecting to the performance of the Group as it is the first year of listing of Zeus Resources Ltd.

Key Management Personnel Payments & Benefits

Your directors, company secretary and key management personnel received the following payments / benefits for services as indicated:

Director/Officer	Short Term Salaries and Fees ($)	Short Term Cash Bonus ($)	Other Services ($)	Post Employment Superannuation ($)	Share option benefit ($)	Total
For the year ended 30th June 2013						
Dr Mike Etheridge[1]	105,000	-	-	9,450	-	114,450
Gregory Clifton Hall[5]	75,000	-	-	-	-	75,000
Andrew Whitten (Company Secretary)[2]	111,332	-	230,656	-	-	341,988
Peter Williamson (CEO)	36,279	21,000[6]	-	3,265	-	60,544
John Higgins (Exploration Manager)	134,872	-	-	12,139	-	147,011
James Zadko (Resigned)[4]	45,454	-	-	-	40,679	86,133
Ian De Renzie Duncan (Contract terminated)[3]	180,000	-	330,100	11,250	-	521,350
Mr Chuanxi Ding (Chairman)	-	-	-	-	-	-
Mr Yong Zhang (Director)		-.	-	-	-	-
Mr Jiangang Zhao (Director)	-		-	-	-	-
Total	687,937	21,000	560,756	36,104	40,679	1,346,476

1 Includes fees received by Mike Etheridge as salary and superannuation for acting CEO role for two months whilst a search for a CEO was underway.

2 Fees received for company secretarial duties $111,332; and legal services relating to the issue of the prospectus, the IPO of Zeus on the ASX and for the provision of legal advice amounting to $230,656 .

3 The payment includes $300,000 in termination fees for Ian De Renzie Duncan and $30,100 in payments made as a contractor post termination.

4 Interest in the 2013 Options (246,541 options at $0.401) and 2015 Options (246,541 options at $0.801) pursuant to the River Rock Option Agreement as outlined in Section 10.14 of the Company Prospectus.

5 Includes $50,000 for Pre-IPO Director fees related to previous periods.

6 This is an accrual for bonus which at the date of this report has not been paid.

Mr Ian De Renzie Duncan was engaged under an employment contract with an annual remuneration of $300,000 plus 9% superannuation paid monthly in arrears. The contract commenced on 26th September 2012 and was terminated on 25th February 2013.

Mr Peter Williamson is engaged as CEO under an employment contract commencing on 8th May 2013 with an annual remuneration of $245,000 (plus 9% superannuation) paid monthly in arrears. Mr Williamson is also entitled to a discretionary cash bonus of $105,000 per annum which is 30% of the total package, subject to certain performance measures being successfully completed. For the partial year of employment the financial statements reflect a part year accrual of this bonus of $21,000.

The Group's key activity is the exploration of mining tenements. This activity by its very nature is risky and carries inherent uncertainty, which is managed by the Group through rigorous geological methodology and corporate policy. The key performance components of the CEO's short term incentives is based on the following parameters;

1. 20% weighting on the share price
2. 20% weighting on meeting industry benchmarks for Work, Health & Safety, Strategy implementation, HR, Finance and legal affairs
3. 30% weighting on the completion of a strategic transaction

4. 20% weighting on the financing of a strategic acquisition
5. 10% weighting on the completion of approved geological exploration

The contract can be terminated, by either party, within the probationary period (six months) with one months' notice and three months' notice thereafter. If the Executive is made redundant he is entitled to three months Base Remuneration or a payment equivalent to one month Base Remuneration per year of employment, whichever is higher. The contract period is continuous until terminated by either party. The conditions of the employment contract entitle Mr Williamson to purchase options under an option plan yet to be formalised on generally the following terms;

Share Options (Yet to be formalised and granted):

Option Quantum	Vesting Date	Exercise Price Per Option
3,603,000	6 May 2014	$0.14
1,801,500	6 May 2015	$0.16
3,603,500	6 May 2016	$0.20

John Higgins was hired on the 30th October 2012 as Exploration Manager under contract on a salary of $200,000 per annum plus statutory superannuation. Either party can terminate the contract by providing three months notice. In the event of redundancy the employee will be paid six months salary. The contract is for a continuous period unless terminated by either party. No other key management personnel have performance based remuneration or options.

Directors' meetings

The number of directors' meetings and meetings of committees of directors of Zeus Resources Limited (including by way of circular resolution) held during the year ended the 30th June 2013 and the numbers of meetings attended by each director are as follows:

Director	Directors' Meetings	
	Eligible to attend	Attended
Mr Chuanxi Ding	3	3
Mr Jiangang Zhao	3	3
Mr Mike Etheridge	5	4
Mr Gregory Clifton Hall	5	5
Mr Yong Zhang	3	3
Ray Whitten (Resigned)	2	2
Ian De Renzie Duncan (Contract terminated)	3	3
James Zadko (Resigned)	-	-
Andrew Whitten (Resigned)	-	-

Share options granted as compensation to related entities:

Issued to:	Grant Date	Expiry Date	Number Granted	Exercise Price	Stock Price	Days to Expiration	Term Years	Total Fair Value
River Rock Energy Limited Shareholders	21 January 2013	21 Jan 2016	1,500,000	$0.401	$0.04	1,095	3	123,750
River Rock Energy Limited Shareholders	21 January 2013	21 Jan 2018	1,500,000	$0.801	$0.04	1,826	5	123,750
Total			3,000,000					247,500

All options issued are over ordinary shares of Zeus Resources Ltd. Mr James Zadko is a director of River Rock Energy Limited and was formerly a director of Zeus Resources Ltd.

Likely developments

The Group will continue to undertake its activities described in this report with major emphasis on early commercialisation of the Group's projects. Further information as to likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because, in the opinion of the Directors, it could prejudice the interests of the Group.

Indemnifying officers and auditor

During the financial period the Group paid premiums to insure all directors and officers of the Group against claims brought against the individual while performing services for the Group and against expenses relating thereto, other than conduct involving a wilful breach of duty in relation to the Group.

The amount of insurance premium paid has not been disclosed as it would breach the confidentiality clause in the insurance policy.

The Group has indemnified directors to the extent possible under the Corporations Act against any liabilities incurred by the person as an officer of the Group. The Group has not indemnified the auditor.

Non-audit services

William Buck Corporate Advisory Services (NSW) Pty Limited prepared the "Investigating Accountants Report" for the prospectus dated 12 November 2012. This is an entity associated with the Group Auditors, William Buck Chartered Accountants. The value of this work was $16,530. There are no other services provided by the auditors William Buck.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:
- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
-the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30th June 2013 has been received and a copy is reproduced on page 11.

Proceedings on behalf of the Group

No person has applied to the Court for leave to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any of those proceedings. The Group was not a party to any such proceedings during the year.

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

Dated this 26th day of September 2013

Mr Chuanxi Ding
Chairman

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 year ended 30 June 2013 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

William Buck
Chartered Accountants
ABN 16 021 300 521

P. A. Collins

Paul Collins
Partner
Sydney, 26 September 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th June 2013

	Notes	Year ended 30 Jun 2013	Year ended 30 Jun 2012
		$	$
Revenue from ordinary activities	2	131,191	26,973
Less expenses:			
Accounting expenses		85,040	59,291
Audit fees		32,750	16,000
Computer and related operating expenses		7,215	7,772
Consultants fees		297,640	34,657
Depreciation		5,048	2,089
Directors & company secretary fees		867,587	444,878
Board and shareholder meeting expenses		50,671	-
Due diligence costs		-	15,858
Entertainment		4,634	-
Exploration and evaluation costs expensed	6	247,250	344,597
Finance costs	2	49,520	13,986
Insurance		14,809	7,932
Legal fees		285,985	30,026
Marketing and public relation expenses		158,374	58,268
Office supplies and printing and stationery		21,545	7,705
Rent & parking		242,045	-
Salaries & other employment costs		349,081	147,447
Share option expense	10	37,432	-
Share registry costs and ASX fees		93,383	-
Training and seminars		13,484	-
Travel and accommodation expenses		145,310	152,851
Impairment expense	6ab	2,916,027	-
Other expenses from ordinary activities		26,627	50,782
Total Expenses		5,951,456	1,394,139
Loss attributable to members of the parent before income tax	2	(5,820,265)	(1,367,167)
Income tax expense	3	-	-
Loss attributable to members of the parent		(5,820,265)	(1,367,167)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to the members of the parent		(5,820,265)	(1,367,167)
Earnings per share			
Basic - cents per share	20	(0.047)	(0.023)
Diluted - cents per share	20	(0.047)	(0.023)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30th June 2013

	Note	As at 30 Jun 2013	As at 30 Jun 2012
CURRENT ASSETS		$	$
Cash and cash equivalents	4	8,689,953	256,040
Other assets	5	106,429	133,476
TOTAL CURRENT ASSETS		8,796,382	389,516
NON-CURRENT ASSETS			
Exploration and evaluation assets	6	1,419,054	997,455
Property, plant and equipment	7	62,336	16,607
TOTAL NON-CURRENT ASSETS		1,481,390	1,014,062
TOTAL ASSETS		10,277,772	1,403,578
CURRENT LIABILITIES			
Trade and other payables	8	720,767	273,809
TOTAL CURRENT LIABILITIES		720,767	273,809
TOTAL LIABILITIES		720,767	273,809
NET ASSETS		9,557,005	1,129,769
EQUITY			
Contributed equity	9	17,398,334	3,398,334
Share option reserve	10	247,500	-
Accumulated losses	11	(8,088,829)	(2,268,565)
TOTAL EQUITY		9,557,005	1,129,769

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th June 2012

	Notes	Year ended 30 Jun 2013 $	Year ended 30 Jun 2012 $
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,330,678)	(1,356,511)
Payments for taxes		20,461	(10,619)
Interest received		131,191	26,973
Interest paid		(49,520)	(13,986)
Net cash used in Operating Activities	12	(2,228,546)	(1,354,143)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchase of tenements		(304,546)	-
Payments for exploration and evaluation		(1,030,971)	-
Payments for plant and equipment		(50,776)	(14,055)
Net cash used in Investing Activities		(1,386,293)	(14,055)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of borrowings	13	-	(50,000)
Proceeds from share issues		13,578,750	1,617,500
Capital raising and listing costs		(1,530,000)	-
Net cash provided by financing activities		12,048,750	1,567,500
Net (decrease) / increase in cash held		8,433,912	199,302
Cash at beginning of financial year		256,040	56,738
Cash and Cash Equivalents at end of financial year	12	8,689,952	256,040

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th June 2013

	Contributed Equity ($)	Share option Reserve ($)	Accumulated Losses ($)	Total ($)
Balance at 1 July 2011	1,732,084	-	(901,398)	830,686
Loss for the year	-	-	(1,367,167)	(1,367,167)
Issue of Shares	1,767,916	-	-	1,767,916
Share issue costs	(101,666)	-	-	(101,666)
Balance at 30 June 2012	3,398,334	-	(2,268,565)	1,129,769
Balance at 1 July 2012	3,398,334	-	(2,268,565)	1,129,769
Loss for the year	-	-	(5,820,265)	(5,820,265)
Issue of shares	15,530,000	-	-	15,530,000
Share based payments	-	247,500	-	247,500
Share issue costs	(1,530,000)	-	-	(1,530,000)
Balance at 30 June 2013	17,398,334	247,500	(8,088,830)	9,557,004

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Zeus Resources Ltd and its subsidiaries companies all domiciled in Australia.

The financial statements have been approved by the board on the date of signing.

The principal activity of the Group during the year was the exploration for uranium deposits.

A. Basis of accounting

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations issued by the Accounting Standards board.
(i) Compliance with IFRS.
The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB),
(ii) Historical Cost Convention
These financial reports are prepared under the historical cost convention.
(iii) Critical Accounting Estimates
The presentation of financial statements requires the use certain critical accounting estimates. The Group also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a high degree or judgement or complexity or areas where assumptions and estimates are significant to the financial statements is disclosed later. See part **I.**

B. Going concern

The Group has incurred an accumulated net loss after tax of $5,820,265 to the year ended 30 June 2013. Net cash used in operating activities during the year was $2,228,546. The directors have prepared cash flow projections to September 2014 that support the ability of the Group to continue as a going concern. The Group had $8,333,608 cash reserve at 31st August 2013, therefore the continued operation of the Group beyond that period is not inherently dependent upon raising further capital or acquire debt instruments to fund its current exploration programme for the next 2 years.

C. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zeus Resources Ltd as at 30th June 2013 and the results of all subsidiaries for the year then ended.

In this report the parent entity is Zeus Resources Ltd and the subsidiaries are referred to as as a Group or consolidated entity. The statements incorporate the assets and liabilities of the subsidiaries as at 30 June 2013.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Zeus Resources Ltd holds 100% of shares in Kalium Corporation Pty Ltd. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity.

Intercompany transactions balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

D. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

E. Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Payables

Payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally settled between 7 days and 30 days terms.

F. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis.

G. Exploration and evaluation expenditure policy

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;

- conducting geological studies, exploratory drilling and sampling;
- the construction of access roads where necessary for exploration drilling;
- examining and testing extraction and treatment methods; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Capitalisation of exploration expenditure commences when there is a higher degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Group. Capitalised exploration expenditure is reviewed for impairment at the end of the reporting period. Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all unrecoverable costs associated with the project and the related impairment provisions are written off.

Undeveloped properties are mineral concessions where the intention is to develop and go into production in due course. The carrying values of the assets are reviewed annually by management and the results of these reviews are reported to the Board and is assessed based on a status report regarding Zeus Resources intentions for development of the undeveloped property. Reviews are performed using the fair value less cost to sell method.

H. Share based payments policy

Equity settled share plans are settled either by the issue of shares by the relevant parent company, by the purchase of shares on market or by the use of shares previously acquired as part of a share buyback. The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to other reserves. If the cost of shares acquired to satisfy the plans exceeds the expense charged, the excess is taken to the appropriate reserve. The fair value of the share plans is determined at the date of grant, taking into account any market based vesting conditions attached to the award. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or not exercised.

I. Critical accounting estimates and policy

Reference to Policy F and G above.

J. Revenue Recognition

(i) Interest earned
Income from interest earned on investments is recognised on a time proportion using the effective interest rate method.
(ii) Net gains on disposal of assets, which is recognised as at the date the control of the asset passes to the entity

K. Foreign currency transactions and balances

Items included in the financial statements are measured using Australian Dollars (functional currency of Zeus Resources Ltd). Consolidated financial statements of the entity are presented in the functional currency of Zeus Resources Ltd as the parent entity. Foreign currency transactions have been translated in the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

L. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the equity division of the statement of financial position as a deduction net of any tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration and are expensed as incurred.

M. Property, plant and equipment

(i) Acquisition

Items of property, plant and equipment are recorded at historical cost and, are depreciated as outlined below. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred.

(ii) Depreciation and amortisation

The following indicates the depreciation method for plant and equipment on which the depreciation charges are based:

- straight-line basis over their useful operating life
- Office equipment: computers – three years
- Office equipment: general – five years
- Plant and equipment – five years
- Furniture & fittings – ten years

(iii) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. Lease improvements are amortised over the shorter of the lease term and useful life of the asset.

N. Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

O. New Accounting Standards and Interpretations not yet mandatory or early adopted

The Board and Management of Zeus Resources have not elected to early adopt the below standards or interpretations:

AASB amendment	Outline of amendment	Operative Date*
AASB 9	***Financial Instruments*** Entities that comply with AASB 9 as amended will simultaneously be in compliance with IFRS 9 as amended. The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. **The standard is not expected to impact the Group.**	**1st Jan 2015**
AASB 10	***Consolidation*** The Standard: - requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; - defines the principle of control, and establishes control as the basis for consolidation; - set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; - and sets out the accounting requirements for the preparation of consolidated financial statements **The standard is expected to impact the Group as the Group is a consolidated entity it is expected that the Group will need to present consolidated statements from the effective date.**	**1st Jan 2013**
AASB 10	***Separate Financial Statements*** AASB 127 was amended as a result of the issuance of AASB 10 and now contains only the accounting requirements to be applied in accounting for investments in subsidiaries, jointly ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. AASB 127 requires investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with AASB 9 Financial Instruments. The standard is not expected to impact the Group.	**1st Jan 2013**
AASB 11	***Joint Arrangements*** A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. Joint operations will be accounted for by the operator recognising: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The option to proportionately consolidate joint ventures has been removed and accordingly, all joint ventures must be accounted for using the equity method. **The standard is not expected to impact the Group.**	**1st Jan 2013**
AASB 128	***Investments In Associates*** AASB 128 was amended as a result of the issuance of AASB 10 and AASB 11 and prescribes the accounting requirements for investments in associates and the application of the equity method when accounting for investments in associates and joint ventures. **The standard is not expected to impact the Group.**	**1st Jan 2013**
AASB 12	***Disclosure of Interest*** AASB 12 provides the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. As such, it consolidates and replaces disclosure requirements contained in many existing Standards. The standard is not expected to impact the Group.	**1st Jan 2013**
AASB 13	***Fair Value Measurement***	**1st Jan 2013**

	These standards provide a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets, but not liabilities. **The standard is expected to impact the Group, as the Group will need to determine "exit price" for measuring the fair value of early stage exploration tenements.**	
AASB 1119	Employee benefits These standards amend the accounting requirements for employee benefits and in particular pensions and other post retirement benefits. The amendments: Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of measurements in the statement of profit or loss and other comprehensive income, plan amendments, curtailments and settlements; Introduce enhanced disclosures about defined benefit plans; Require employee benefits not settled wholly before twelve months after the end of the annual reporting period to be captured as an 'other long term benefit' rather than 'short term benefits', and whilst presented as a current item in the statement of financial position such benefits would be measured differently under the amendments; Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; Clarify miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; and Incorporate other matters submitted to the IFRS Interpretations Committee. **The standard is expected to impact the Group as the Group will be required to meet with these reporting requirements.**	**1st Jan 2013**
Interpretation 21	***Levies*** Incorporates IFRIC Interpretation 21. Guidance on accounting for levies in the financial statements. Recognition in accordance with AASB137. **The standard is expected not to impact the Group.**	**1st Jan 2014**
AASB 2010-2	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements. **The standard is expected not to impact the Group.**	**1st Jan 2015**
AASB 2011-2	AASB 1054 contains the Australian-specific disclosures that are in addition to International Financial Reporting Standards. AASB 2011-1 contains the related amendments to other Australian Accounting Standards. For example, some of the disclosure requirements previously in paragraphs Aus15.1-Aus15.3 and other paragraphs of AASB 101 are now included in AASB 1054 instead. This Standard makes amendments to AASB 1054 to introduce reduced disclosure requirements to that Standard for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. These reflect the reduced disclosure requirements originally specified in AASB 2010-2 for AASB 101 disclosures that are now in AASB 1054. **The standard is expected not to impact the Group.**	**1st July 2013**

AASB 2011-4	This Standard makes amendments to Australian Accounting Standard AASB 124 Related Party Disclosures. These amendments arise from a decision of the AASB to remove the individual key management personnel (KMP) disclosures from AASB 124 on the basis they: • are not part of International Financial Reporting Standards (IFRSs), which include requirements to disclose aggregate (rather than individual) amounts of KMP compensation; • are not included in New Zealand accounting standards and, accordingly, their removal is consistent with meeting the 2010 Outcome Proposal of the Australian and New Zealand governments that for-profit entities are able to use a single set of accounting standards and prepare only one set of financial statements; • are considered by the AASB to be more in the nature of governance disclosures that are better dealt with as part of the Corporations Act 2001; • were originally included in AASB 124 when fewer similar disclosure requirements were included in the Corporations Act and, in many respects, relate to similar disclosure requirements currently in that Act and therefore detract from the clarity of the requirements applying in this area; and • could be considered (during the transition period for this Amending Standard) for inclusion in the Corporations Act or other legislation to the extent they presently go beyond the requirements in legislation and are considered appropriate in light of government policy. **The standard is expected not to impact the Group.**	1st July 2013

*Annual reporting periods beginning on or after

P. Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in uses, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit and loss and other comprehensive income. Impairment testing is performed annually for goodwill and other intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Q. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from service rendered by employees to balance date. Employee benefits are expected to be settled within one year have been measured at the amounts expected to be paid plus on-costs. Employee benefits that will payable later than one year will be measured of present value of estimated future cash outflows to be made for those benefits.

R. Business Combinations (including goodwill)

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

the consideration transferred;
any non-controlling interest; and
the acquisition date fair value of any previously held equity interest;
over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other statement of profit or loss and other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

	As at 30 Jun 2013	As at 30 Jun 2012
	$	$
NOTE 2: LOSS BEFORE INCOME TAX EXPENSE		
Loss before income tax expense has been determined after:		
a) Income		
- Bank interest	131,191	26,973
b) Expenses		
- Loan interest (non-bank)	49,520	13,986

NOTE 3: INCOME TAX EXPENSE

Prima facie income tax credit on loss at 30% (2012: 30%)	(1,746,080)	(410,150)
Add:		
Tax effect of:		
- Share based payments expense	11,230	-
- Share issue costs	(122,375)	-
- Non allowable expenditure for tax purposes	1,390	-
Current year tax losses not brought to account	(1,636,325)	-

(b) Deferred income tax		
Deferred tax assets not brought to account (gross)	(425,831)	(15,681)
Tax losses	(1,636,325)	(410,150)
Temporary differences	-	-
Total deferred tax assets not brought to account	(2,062,156)	(425,831)

The tax losses and deferred tax assets do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash Transaction Account	10,547	5,243
Cash Management Account	8,678,906	250,794
Cash on hand	500	3
Total	8,689,953	256,040

	As at 30 Jun 2013	As at 30 Jun 2012
	$	$
NOTE 5: OTHER ASSETS		
Current		
Unpaid share issue	-	48,750
Prepaid insurances	22,092	-
GST receivable	84,337	31,726
Deposits paid on investment		50,000
Advance payments to staff		3,000
Total current	106,429	133,476
Total Non current		
Total Other assets	106,429	133,476

NOTE 6a: EXPLORATION AND EVALUATION ASSETS – NON-CURRENT

Opening balance	997,455	997,455
Purchase of tenements	547,417	-
Costs incurred during the year	1,030,971	-
Cost Expensed during year	(247,250)	-
Impairment of Zeus Resources' tenements (1)	(666,667	-
Impairment of Kalium Corp tenements (2)	(242,872)	-
Closing Balance	1,419,054	997,455

NOTE 6b: EXPLORATION AND EVALUATION ASSETS – GOODWILL

GOODWILL		
Opening balance	-	-
Goodwill – acquisition of Kalium Corporation Ltd (3)	2,006,488	-
Impairment Kalium Corp Tenements	(2,006,488)	-
Closing Balance	-	-

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas. The Group reviews annually the carrying value of the capitalised exploration and evaluation expenditure, and will capitalise the expenditure if it considers the area of interest to be prospective. Should the particular area of interest no longer be considered prospective then the Group will make a provision in the financial statements for the carrying value of the project.

(1) The total impairment incurred on the Zeus Resources exploration assets is due to the relinquishment or non-conveyance of the tenements and the write-down in goodwill during the year ended 30th June 2013.

The total impairment loss recognised in this period was $2,916,027.

(2) A review of the fair value of tenements acquired was performed during this financial year. The resultant impairment was approved by the board to reflect the adjusted fair values in the period ended 30th June 2013.

(3) The Group had acquired Kalium Corporation Ltd. Kalium may have an interest in tenements subject to a number of conditions precedents being met, the final condition is more than twelve months away. Management has determined that the prospectivity of the tenements that Kalium may have a future interest in is low and that it is prudent to impair the goodwill on these assets.

The list of tenements in which the Group has an interest is disclosed on page 39.

NOTE 7: PLANT, EQUIPMENT, FURNITURE & FITTINGS	As at 30 Jun 2013 $	As at 30 Jun 2012 $
Plant & Equipment – at cost	38,180	4,641
Accumulated depreciation	(4,775)	(2,081)
Total Plant and Equipment	33,405	2,560
Movements during the year:		
Opening Balance	4,641	-
Additions during the year	33,539	4,641
Disposals during the year	-	-
Closing Balance	38,180	4,641
Depreciation		
Opening balance	(2,018)	-
Charge during the year	(2,757)	(2,018)
Closing depreciation	(4,775)	(2,018)
Net book value	**33,405**	**2,560**
Furniture & Fittings – at cost	31,293	14,056
Accumulated depreciation	(2,362)	(71)
Total Furniture and Fittings	28,931	13,985
Movements during the year:		
Opening Balance	14,056	-
Additions during the year	17,237	14,056
Disposals during the year	-	-
Closing Balance	31,293	14,056
Depreciation		
Opening balance	(71)	-
Charge during the year	(2,291)	(71)
Closing depreciation	(2,362)	(71)
Net Book Value	28,931	13,985
TOTAL	62,336	16,607

NOTE 8: TRADE AND OTHER PAYABLES

Trade creditors	164,929	213,628
Other payables		
- Audit expenses	23,200	8,000
- Exploration expenses payable	154,960	-
- Salaries, employee benefits & PAYG payable	152,434	15,315
- Rent payable (arrears due)	154,187	-
- directors fees and charges payable	25,000	-
- Annual leave accruals	23,179	-
- Equipment purchases payable	4,000	-
- Sundry payables	18,877	36,866
Total trade and other payables	720,767	273,809

NOTE 9: CONTRIBUTED EQUITY

2013

	Number on Issue	Weighted Average
(a) Ordinary Shares Number		
Balance at the beginning of the year	77,500,000	77,500,000
Shares issued during the year		
Shares issued for investments for nil consideration 21 January 2013	10,000,000	4,410,959
Shares issued to investors for $0.20 per share 21 January 2013	67,650,000	29,840,137
Shares issued to director for nil consideration 21 January 2013	25,000,000	11,027,397
Balance at the end of the financial year	180,150,000	122,778,493

(b) Ordinary Shares Value	**Value ($)**
Balance at the beginning of the year	3,398,334
Share issued during the year	
Shares issued for Investments 21 January 2013	2,000,000
Shares issued to investors 21 January 2013	13,530,000
Share issue costs	(1,530,000)
Balance at the end of the financial year	17,398,334

2012

	Number on Issue	Weighted Average
(a) Ordinary Shares Number		
Balance at the beginning of the year	42,150,000	42,150,000
Share issued during the year		
Shares issued to investors for $0.05 per share 16 August 2011	5,350,000	4,675,753
Shares issued to investors for $0.05 per share 16 January 2012	30,000,000	13,726,027
Balance at the end of the financial year	77,500,000	60,551,780

(b) Ordinary Shares Value	**Value ($)**
Balance at the beginning of the year	1,732,084
Share issued during the year	
Shares issued to investors 16 August 2011	267,084
Shares issued to investors 16 January 2012	1,500,000
Share issue costs	(101,666)
Balance at the end of the financial year	3,398,334

a. Fully paid shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

b. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

NOTE 10: SHARE OPTION RESERVE

	As at 30 Jun 2013 Number on Issue	As at 30 Jun 2012 Number on Issue
Share Options Issued		
Balance at the beginning of the year	-	-
Options issued during the year		
Options issued to River Rock shareholders 12 January 2013	3,000,000	-
Balance at the end of the financial year	3,000,000	-
Share Option Fair Value	**Value ($)**	**Value ($)**
Balance at the beginning of the year	-	-
Options issued during the year		
Options issued to River Rock shareholders	247,500	
Balance at the end of the financial year	247,500	-

NOTE 11: ACCUMULATED LOSSES

	$	$
Accumulated losses at the beginning of the financial year	(2,268,564)	(901,398)
Net loss attributable to members of the entity	(5,820,265)	(1,367,167)
Accumulated losses at the end of the financial year	(8,088,829)	(2,268,565)

NOTE 12: STATEMENT OF CASH FLOW INFORMATION

Cash at bank	10,546	5,243
Term deposit	8,678,906	250,794
Cash	500	3
Total	8,689,952	256,040
Loss from ordinary activities after income tax	(5,820,265)	(1,367,167)
Adjustment for non-cash items		
- depreciation	5,048	2,089
- leave entitlement accrual	23,179	-
- share option expense	37,432	-
- capitalized investments	175,487	-
- impairment	2,914,167	-
Add: Changes in working capital		
(Increase)/decrease in trade and other receivables	(55,219)	(13,710)
(Increase)/decrease in other assets	35,956	(53,000)
(Decrease) /Increase in trade payables	(48,699)	190,263
(Decrease) /Increase in other liabilities	66,207	(848)
(Decrease) /Increase in current tax liabilities	75,680	3,072
(Decrease) /Increase in other payables	362,481	(114,842)
Cash outflow from operations	(2,228,546)	(1,354,143)

NOTE 13: BORROWINGS AND INTEREST PAYMENTS

Funds raised from debt instruments	900,000[2]	450,000[1]
Funds paid to reduce or discharge debt instruments	(900,000)[2]	(450,000)[1]
Net Liabilities	-	-
Interest payable on debt instruments	49,479[2]	13,986[1]
Interest paid on debt instruments	(47,479)[2]	(13,986)[1]
Net Liabilities	-	-

[1] Funds drawn down from loan agreement with Barbary Coast Investments Pty Ltd from 11 October 2011 in tranches until 13 January 2012. Loan amount was discharged 16th January 2012. Interest was also paid on this date.
[2] Funds drawn down from loan agreement with Barbary Coast Investments Pty Ltd from 11 October 2012 in tranches until 26 November 2012 to the value of $500,000. Loan amount was discharged 7th March 2013. Interest was also paid on this date.
Funds drawn down from loan agreement with Vast Honor 23 August 2012 to the value of $400,000. Loan amount was discharged 18th March 2013. Interest was also paid on this date.

NOTE 14: AUDITORS REMUNERATION	As at 30 Jun 2013	As at 30 Jun 2012
Auditing or reviewing the financial reports	16,000	8,000
Other Services – Corporate Advisory services	16,530	9,950
Total	32,530	17,950

NOTE 15: SEGMENT INFORMATION

The Group's operations are in one reportable business segment being the exploration of uranium and minerals. The Group operates in one geographical segment being Australia.

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2013. The totals of remuneration paid to the KMP of the company and the Group during the year are as follows:

	As at 30 Jun 2013 $	As at 30 Jun 2012 $
Short term employee benefits	708,937	272,378
Post- employment benefits	36,104	5,850
Other services	560,756	
Other long-term benefits	-	-
Share-based payments	40,679	-
Total KMP compensations	1,346,476	278,228

Name	**Position**
Mr Chuanxi Ding	Chairman
Mr Jingang Zhao	Director
Dr Michael Etheridge	Deputy Chairman
Mr Greg Hall	Non Executive Director
Mr Andrew Whitten	Company Secretary
Mr Peter Williamson	CEO
Mr Yong Zhang	Director
Mr Ian de Renzie Duncan	Managing Director and CEO – contract terminated
Mr Raymond Whitten	Director – resigned 16 August 2011
Mr James Zadko	Director – resigned 20 September 2012

Key Management Personnel Interests as at 30 June 2013

The number of options over ordinary shares held by each KMP of the Group during the financial year is as a follows;

Name	Shares			Options
	Direct	Indirect	Total	
Mr Chuanxi Ding [1]	-	57,650,000	57,650,000	-
Mr Jiangang Zhao [2]	-	57,650,000	57,650,000	-
Mr Yong Zhang [3]	-	57,534,500	57,534,500	-
Mr Ian De Renzie Duncan [4]	-	4,600,000	4,600,000	-
Mr Andrew Whitten [5]	-	5,200,000	5,200,000	-
Mr Raymond Whitten [6]	-	12,079,364	12,079,364	-
Mr James Zadko [7]	-	1,643,609	1,643,609	493,082
Dr Mike Etheridge [8]	10,000	1,000,000	1,010,000	-
Gregory Clifton Hall [9]	10,000	10,000	20,000	-
Total	20,000	197,357,473	197,377,473	493,082

1. Mr Chuanxi Ding is a director and controller of Zhenyuan International Mining Company Ltd., which holds the relevant interest in Zeus.
2. Mr Jiangang Zhao as a nominee director appointed to Zhengyuan International Mining Company Ltd, has power to exercise or control the exercise of the voting rights attached to the securities in Zeus.
3. Mr Zhang Yong is a director of, and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus.
4. Mr Ian de Renzie Duncan's services as CEO were terminated on 25th February 2013. Mr Ian de Renzie Duncan is a director of and controls Duncan Mining which holds a direct relevant interest in Zeus.
5. Mr Andrew Whitten holds a direct relevant interest in Zeus
6. Mr Raymond Whitten is a former director of Zeus (resigned 16 August 2012). He is the husband of Barbara Whitten and they jointly control Barbary Coast Investments Pty Ltd which has a Loan Agreement in place with Zeus (details below). Raymond Whitten controls Jopela Pty Ltd, Stephendale Pty Ltd and Rayda Investments Pty Ltd that own shares in Zeus. Barbara Whitten controls Newton Holdings Pty Ltd and Newton Building Co (Bankstown) Pty Ltd which also own shares in Zeus.
7. Mr James Zadko was a former director of Zeus. He ceased as a director on 20 September 2012 and has beneficial interest in shares and both 2013 and 2015 options through Mr and Mrs Zadko <ATF The Nighthawk Trust>. The shares and options were acquired, as they were shareholders of Kalium Corporation Limited when the company was acquired by Zeus on 12 August 2010.
8. Mr Michael Etheridge (jointly with Megan Lesley Etheridge) controls Tectonex Geoconsultants Pty Ltd ATF Etheridge Superannuation Fund that owns shares in Zeus.
9. Mr Gregory Clifton Hall controls Omaroo Pty Ltd ATF Hall Family Trust that owns shares in Zeus.

Transactions with KMP

Transactions with key management personnel:

Through ownership:

a) Whittens Lawyers and Consultants ("Whittens") is an entity related to the Company Secretary, Andrew Whitten. Whittens has provided and continues to provide professional and legal services to Zeus Resources Ltd including the preparation of the prospectus and due diligence in listing Zeus Resources Ltd on the ASX. Andrew Whitten through his nominees is also a shareholder of Zeus Resources Ltd.

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP (including loans), refer to Note xx: Related Party Transactions.

NOTE 17: RELATED PARTY TRANSACTIONS

Mr James Zadko – Is a former director and holds 1,643,609 shares and 246,541 2013 options and 246,541 2015 options directly or via nominees. Interest in the Shares 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. Interest in the 2013 and 2015 options pursuant to the River Rock Option Agreement. $50,000 payment following listing as payment for past services to the Company as a Director.

Mr Yong Zhang – Vast Honour Share Purchase Agreement between Zeus, Vast Honour Global Limited, Whittens and Vast Honour Holding Limited dated 1 November 2011.

Mr Yong Zhang - Vast Holding Share Purchase Agreement between Zeus, Vast Holding and Whittens, Vast Holding dated 1 November 2011 and Deed of Variation dated 16 January 2012 and Deed of Variation dated 1 May 2012 (removal of Vast Holding), Deed of Variation dated 1 May 2012 (postponing obligations).

Cornerstone Subscription investment Agreement between ZIMC and Zeus dated 16 July 2012.

Mr Yong Zhang - Loan Agreement between Zeus and Vast Honour Global Limited dated 15 August 2012. Interest on loan paid $27,747 (2012: Nil).

Mr Michael Etheridge – is a director and holds 1,000,000 shares either directly or via nominees. Received $114,450 as director's fees and salary for the period he was acting as CEO.

Mr Greg Hall – $50,000 payment following listing as payment for past services to the Company as a Company Director.

Mr Ian de Renzie Duncan - Is a former managing director and holds 4,600,000 shares directly or via nominees. Received $521,350 as salary and termination payments from the Company.

Mr Yong Zhang – The Group uses, maintains offices at 50 Pitt Street Sydney. The lease with CBRE for the premises is held with Heng Ji Australia Investments Pty Ltd, which is a related entity to Mr Yong Zhang. The Group pays and has accrued consulting fees and lease costs for the premises – Lease expense $170,483 (2012: Nil).

Mr Ray Whitten - Is a former director and holds 12,079,364 shares directly or via nominees. Interest in Barbary Coast Investments Pty Ltd which has provided a Loan to the Company pursuant to the Loan Agreement between Zeus and Barbary Coast Investments Pty Ltd dated 18 October 2012 – Interest paid $21,731 (2012: $13,265). Interest in Whittens Lawyers and Consultants who have acted as a Solicitor to the Offer and the Company.

Mr Andrew Whitten - Is the Company Secretary and holds 5,200,000 shares directly or via nominees. Whitten Retainer and Company Secretarial Retainer between Whittens and Zeus Resources for legal advice and company secretarial services – professional fees $341,998 (2012: $166,651) Interest in Whittens Lawyers and Consultants who have acted as a Solicitor to the Offer and the Company.

NOTE 18: COMMITMENTS AND CONTINGENCIES

a) 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:

	Year ended 30 Jun 2013	Year ended 30 Jun 2012
	$	$
Within 1 year[1]	1,041,054	-
More than 1 year but not later than five years[1]	3,161,302	-
More than five years	-	-
Total	4,202,356	
Operating Expenditure Commitment (Administration premises)[2]		
Not later than one year	-	-
Later than one year but not later than five years	-	-
More than five years	-	-
Total	-	-
Total commitments	3,331,456	-

[1] Based on current commitment requirements set by Department Mining and Petroleum and maintaining current km^2.
[2] Lease assignment between Heng Ji Investments Pty Ltd, Zeus Resources and CBRE Pty Ltd was not executed as at end of financial period.

b) Contingent assets and liabilities

Contingent liabilities
There are no contingent liabilities as at end of reporting period 30th June 2013.

Contingent assets
There are no contingent assets as at end of reporting period 30th June 2013.

NOTE 19: FINANCIAL RISK MANAGEMENT

The below table summarises interest rate receivable or payable for the Group:

	Effective Interest Rate %	Floating interest rate Amount	Non Interest Bearing	Total
2013		$	$	$
Financial assets				
Cash and cash equivalents	2.78 %	8,689,452	500	8,689,952
Trade and other receivables	-	-	-	-
Other financial assets	-	-	-	-
Financial liabilities				
Trade and other payables	0%	-	(720,767)	(720,767)
2012				
Financial assets				
Cash and cash equivalents	4.25%	256,037	3	256,040
Trade and other receivables	-	-	-	-
Other financial assets	-	-	-	-

Financial liabilities			
Trade and other payables	0%	(273,809)	(273,809)

a) Credit risk

The Group has no significant concentrations of credit risk. The Group has not issued any sales for services or products during the period ending 30th June 2013. In the case that sales are made appropriate credit rating will be obtained from an independent credit rating agency. These ratings will be used to determine whether or not to extend credit and the limit of the credit. The Group does not insure any outstanding debts as there are nil debts. The Group has not limited the risk associated by placing all funds within one financial institution. The institution does however meet stringent banking regulations and the risk to the funds placed therein is minimal.

	Year ended 30 Jun 2013	Year ended 30 Jun 2012
(b) Interest rate risk		$
Potential impact on post-tax loss:		
Interest rate -1%	(156,053)	(8,547)
Interest rate +1%	156,053	8,547

(c) Liquidity risk

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern or order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group maintains a flexible financing structure to be able to fund capital expenditure programmes and fund expansion opportunities as they arise.

The limit of risk for the period ending 30th June 2013 extended to Trade and other payables amounting to $683,335 which was due to be paid within the next 90 days at a maximum. The Group has sufficient funds to meet this requirement.

(d) Fair values

The financial assets and liabilities of the Group are recognised in the statement of financial position at their carrying amount, which is a reasonable approximation of fair value in accordance with the accounting policies in note 1.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Financial liabilities

Fair value is calculated based on the present value of future principal and interest flows, discounted at the market rate of interest at the report date.

NOTE 20: EARNINGS PER SHARE

	2013	2012
Total comprehensive (loss) for the year	**($5,820,265)**	**($1,367,167)**
Earnings per share		
Basic - cents per share	(0.047)	(0.023)
Diluted - cents per share	(0.047)	(0.023)

No material impact between diluted and basic shares on issue.

NOTE 21: PARENT ENTITY INFORMATION

Financial statements and notes for Zeus Resources Limited, the legal parent entity, are provided below:

Financial Position	**2013**	**2012**
Current assets	8,796,382	389,516
Non-current assets	1,481,391	1,014,062
Total assets	10,277,773	1,403,578
Current liabilities	(718,908)	(273,809)
Total liabilities	(718,908)	(273,809)
Shareholders equity		
Issued capital	17,398,334	3,398,334
Reserves	247,500	-
Accumulated losses	(8,086,970)	(2,268,565)
Total equity	9,558,864	1,129,769
Financial Performance		
Loss for the year	(5,818,405)	(1,367,167)
Other comprehensive income/loss	-	-
Total profit and loss and other comprehensive loss	(5,818,405)	(1,367,167)

Guarantees entered into by the parent entity in relation to the debts of its controlled entities: Nil (2012: Nil)

Commitment liabilities of the parent entity:

As at 30 June 2013 the parent entity, Zeus Resources Ltd held exploration licences over 23 tenements. The rental, rates and statutory expenditure commitments required for these tenements are no more than 1 year $1,041,054 and greater than 1 year but less than two years of $3,161,302.

Contingent liabilities of the parent entity:

As at 30 June 2013 the parent entity, Zeus Resources Ltd had nil contingent liabilities.

NOTE 22: SHARE-BASED PAYMENTS

(i) On 21st January 2013, 3,000,000 share options were granted to shareholders of River Rock Energy Limited (as part consideration) pursuant to the River Rock Option Agreement dated 12 August 2010 whereby Zeus Resources Ltd agreed to acquire River Rocks interest in tenements. The options hold no voting or dividend rights and are not transferable.

(ii) Options granted to River Rock Shareholders are as follows:

Grant Date	**Period**	Number	**Exercise Price**
21 January 2013	3 years	1,500,000	$0.401
21 January 2013	5 years	1,500,000	$0.801

Further details of these options are provided in the directors' report. The options hold no voting or dividend rights and are not listed.

The options lapse if they are not exercised in accordance with the Option Terms and Conditions and will lapse at midnight on the last day of the Option Exercise period.

(iii) The company has not established a Public Employee Share Option Scheme.

NOTE 22: SHARE-BASED PAYMENTS

A summary of the movements of all company options issues is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2011	-	
Granted	-	
Forfeited	-	
Exercised	-	
Expired	-	
Options outstanding as at 30 June 2012	-	
Granted	3,000,000	$0.601
Forfeited	-	
Exercised	-	
Expired	-	
Options outstanding as at 30 June 2013	3,000,000	$0.601
Options exercisable as at 30 June 2013	1,500,000	$0.401
Options exercisable as at 30 June 2012	-	

There were no options exercised during the reporting period.

The weighted average remaining contractual life of options outstanding at year-end was 4.5 years. The exercise price of outstanding shares at the end of the reporting period was $0.401 and $0.801 respectively.

These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price:	Nil exercised
Weighted average life of the option:	4.5 years
Expected share price volatility:	80%-95%
Risk-free interest rate:	4.76% & 4.87%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTE 23: EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been not matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future financial years.

NOTE 24: COMPANY DETAILS

The registered office of the Group is:

Level 5, 137-139 Bathurst Street
Sydney NSW 2000

The principal place of business of the Group is:

Level 1, 50 Pitt Street
Sydney NSW 2000

NOTE 25: SUBSIDIARIES

Kalium Corporation Pty Ltd is incorporated in Australia. In the reporting period Kalium is a 100% owned entity by the Group (2012: 0%).

NOTE 26: CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2013	2012
Subsidiaries of Zeus Resources Limited:			
Kalium Corporation Ltd (renamed Kalium Corporation Pty Ltd)	Australia	100%	0%

- *Percentage of voting power is in proportion to ownership*

b. Acquisition of Controlled Entities

On 21st January 2013 the parent entity acquired a 100% interest in Kalium Corporation Pty Ltd. The acquisition was a result of the Company increasing it's exploration tenements. The acquisition resulted in Zeus Resources Limited obtaining control of Kalium Corporation Pty Ltd.

	Note	Fair Value $000
Purchase consideration:		
– cash		-
– ordinary shares in Zeus Resources Limited (i)		2,000,000
- Share options (see Note 22)		247,500
		2,247,500
Less:		
Receivables		-
Inventories		-
Exploration and evaluation assets		242,782
Payables		(1,770)

ZEUS RESOURCES LTD

Identifiable assets acquired and liabilities assumed	241,012
Goodwill (ii)	2,006,488

(i) The consideration paid to acquire Kalium Corporation includes 10,000,000 ordinary shares at $0.20 each issued to the vendors of Kalium Corporation. The fair value of the shares has been determined based on the current market price of the shares at the date of acquisition.

(ii) The goodwill is attributable to the tenement applications of the acquired business. This goodwill was impaired to zero in the financial year (see Note 6).

No amount of the goodwill is deductible for tax purposes.

Revenue of Kalium Corporation included in the consolidated revenue of the Group since the acquisition date on 21st January 2013 amounted to $0. Loss of Kalium Corporation included in consolidated loss of the Group since the acquisition date amounted to $0.

Had the results of Kalium Corporation been consolidated from 1 July 2012, revenue of the consolidated group would have been $131,191 and consolidated loss would have been $5,820,265 for the year ended 30 June 2013.

Directors' Declaration

The directors of Zeus Resources Limited declare that:

1. The financial statements and notes, as set out on pages 12 to 37 are in accordance with the *Corporations Act 2001*, and:

(i) give a true and fair view of the financial position as at 30th June 2013 and the performance for the year ended on that date for the consolidated group; and

(ii) comply with Australian Accounting Standards and the Corporations Regulations 2001; and

(iii) The financial statements also comply with International Financial Reporting Standards as issued by the IASB and as disclosed in Note 1.

2. This declaration has been made after receiving declarations from the Chief Executive Officer and the Chief Financial Officer in compliance with section 295A of the *Corporations Act 2001* for the financial year ended 30th June 2013.

3. In the directors opinion there are reasonable grounds to believe that the Group 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.

Mr Chuanxi Ding
Chairman

Mr Mike Etheridge
Deputy Chairman

Sydney, dated this 26th day of September 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEUS RESOURCES LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report
We have audited the accompanying consolidated financial report comprising of Zeus Resources Limited (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEUS RESOURCES LIMITED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 7 to 10 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Zeus Resources Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Zeus Resources Limited for the year ended 30 June 2013 included on Zeus Resources Limited's web site. The company's directors are responsible for the integrity of the Zeus Resources Limited web site. We have not been engaged to report on the integrity of the Zeus Resources Limited web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

P. A. Collins

Paul Collins
Partner
Sydney, 26 September 2013

Licence Name	Licence Number	State/ Territory	Area	Project	Date Expires
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
Cunya	E53/1602	W.A.	57	Lake Way	14 Feb 18
Paroo	E53/1600	W.A.	60	Lake Way	14 Feb 18
Albion Downs	E53/1247	W.A.	13	Lake Way	02 Jan 17 Note 1
Yakabindie	E36/733	W.A.	70	Yeelirrie South	26 Apr 16 Note 1
Yeelirrie	E36/735	W.A.	11	Yeelirrie South	14 Jul 15 Note 1
Van Der Linden	E69/2362	W.A.	50	North Musgrave	20 May 18 Note 1
Picture Hill	E45/3027	W.A.	200	Percival Lakes	Note 2
Picture Hill	E45/3028	W.A.	200	Percival Lakes	Note 2
Percival Lakes	E45/3029	W.A.	192	Percival Lakes	Note 2
East Percival	E45/3030	W.A.	169	Percival Lakes	Note 2
Shoesmith Cliff	E45/3031	W.A.	190	Percival Lakes	Note 2
Picture South	E45/3238	W.A.	90	Percival Lakes	Note 2
Great Victoria Desert 2	E39/1687	W.A.	10	Narnoo	09 Oct 17 Note 3
Great Victoria Desert	E39/1689	W.A.	14	Narnoo	18 Oct 17 Note 3
Great Victoria Desert	E39/1401	W.A.	105	Narnoo	02 Aug 14
Great Victoria Desert	E28/2096	W.A.	30	Narnoo	08 May 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 Note 4
Red Rock	E52/2122	W.A.	17	Red Rock	23 Jul 17 Note 4

Note 1. The tenements are currently held by Sammy Resources Pty Ltd, with all conditions of the sale contracts being met they will be transferred into the Group's name.
Note 2. The applications for the explorations tenements are held by Northsun Resources Pty Ltd and River Rock Pty Ltd. Subject to the tenements being granted, and the Kalium meeting the minimum exploration commitments for 12 months, the tenements will be transferred to Kalium on satisfaction of the conditions precedent.
Note 3. The tenements are currently held by Geological Resource Solutions Pty Ltd, with all conditions of the sale contracts being met they will be transferred into the Group's name.
Note 4. . The tenements are currently held by FEC II Pty Ltd, with all conditions of the sale contracts being met they will be transferred into the Group's name.

Zeus Resources is committed to the achievement of its long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices. The Zeus Resources Board determines the corporate governance and puts in place those arrangements which it considers are in the best interests of shareholders, and consistent with its responsibilities to other stakeholders.

This statement discloses Zeus Resources adoption of the Corporate Governance Principles and Recommendations released by the Australian Securities Exchange (ASX) Corporate Governance Council on 2 August 2007 and as amended on 30 June 2010 (Principles). The Principles can be viewed at **www.asx.com.au**. The Principles are not prescriptive, however, listed entities (including Zeus Resources) are required to disclose the extent of their compliance with the Principles, and to explain why they have not adopted a Principle if they consider it inappropriate in their particular circumstances (the "if not, why not' approach).

Below is a summary of each of the Principles and Recommendations in table format. Reasons for any non-compliance with the Principles are provided in this Corporate Governance Statement.

Annexure B
ASX Corporate Governance Council Recommendations
Verification Worksheet

Name of entity	Financial year ended
ZEUS RESOURCES LIMITED	30 JUNE 2013

Recommendation		The entity complied for the full period
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	The entity has established the functions reserved to the board and those delegated to senior executives.	√ Yes ☐ No
1.2	The entity has disclosed its process for evaluating the performance of senior executives.	☐ Yes √ No
1.3	The entity has provided the information indicated in the guide to reporting on Principle 1 (see Annexure C).	√ Yes ☐ No
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	A majority of the board are independent directors.	☐ Yes √ No
2.2	The chair is an independent director.	☐ Yes √ No
2.3	The roles of chair and chief executive officer are not exercised by the same individual.	√ Yes ☐ No
2.4	The board has established a nomination committee.	☐ Yes √ No
2.5	The entity has disclosed the process for evaluating the performance of the board, its committees and individual directors.	☐ Yes √ No
2.6	The entity has provided the information indicated in the guide to reporting on Principle 2 (see Annexure C).	√ Yes ☐ No
PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1	The entity has established a code of conduct and disclosed the code or a summary of the code.	☐ Yes √ No
3.2	The entity has established a policy concerning diversity and disclosed the policy or a summary of that policy. The policy includes requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	☐ Yes √ No
3.3	The entity has disclosed in its annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	☐ Yes √ No
3.4	The entity has disclosed in its annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	√ Yes ☐ No
3.5	The entity has provided the information indicated in the guide to reporting on Principle 3 (see Annexure C).	☐ Yes √ No

Recommendation		The entity complied for the full period
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1	The board has established an audit committee.	☐ Yes √ No
4.2	The audit committee has been structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	☐ Yes √ No
4.3	The audit committee has a formal charter.	☐ Yes √ No
4.4	The entity has provided the information indicated in the guide to reporting on Principle 4 (see Annexure C).	☐ Yes √ No
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	The entity has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclosed those policies or a summary of those policies.	☐ Yes √ No
5.2	The entity has provided the information indicated in the guide to reporting on Principle 5 (see Annexure C).	☐ Yes √ No
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1	The entity has a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclosed the policy or a summary of the policy.	☐ Yes √ No
6.2	The entity has provided the information indicated in the guide to reporting on Principle 6 (see Annexure C).	☐ Yes √ No
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The entity has established policies for the oversight and management of material business risks and disclosed a summary of those policies.	☐ Yes √ No
7.2	The board requires management to design and implement the risk management and internal control system to manage the entity's material business risks and report to it on whether those risks are being managed effectively. The board has disclosed that management has reported to it as to the effectiveness of the company's management of its material business risks.	☐ Yes √ No
7.3	The board has disclosed whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	√ Yes ☐ No
7.4	The entity has provided the information indicated in the guide to reporting on Principle 7 (see Annexure C).	√ Yes ☐ No

Recommendation		The entity complied for the full period
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board has established a remuneration committee.	☐ Yes √ No
8.2	The remuneration committee is structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	☐ Yes √ No
8.3	The entity clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.	√ Yes ☐ No
8.4	The entity has provided the information indicated in the guide to reporting on Principle 8 (see Annexure C).	☐ Yes √ No

The role and responsibilities of the Board of Directors is for the overall Corporate Governance of the Company and oversight of management, protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for the administration.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining high standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are partly consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When Zeus is not able to implement one of the Council's recommendations the Company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at **http://www.asx.com.au**

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executive. This has been disclosed on the Company's website.

BOARD OF DIRECTORS – ROLE AND RESPONSIBILITIES

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- the resourcing, reviewing and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Chief Executive Officer's key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board at annual anniversary of appointment of the CEO.

The Company has recently adopted recommendation 1.2 and 1.3 of evaluating the performance of senior executive in accordance with the process described above with the appointment of the CEO.

The Board did not conduct a performance evaluation for the Chief Executive Officer in the financial year. The current Chief Executive Officer commenced employment in May 2013.

Principle 2 – Structure the Board to add value

BOARD OF DIRECTORS - COMPOSITION, STRUCTURE AND PROCESS

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities.

INDEPENDENT DIRECTORS

Due to the small size of the Company, the Board is made up of five Directors.

The Company has not adopted Recommendation 2.1, which states that the majority of directors should be independent. Because of the small size and nature of the Company, the Company has appointed 1 independent Director on the Board. It is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective if they are independent or not.

REGULAR ASSESSMENT OF INDEPENDENCE

An Independent Director, in the view of the Company, is a Non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;

- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

CHAIRMAN AND MANAGING DIRECTOR

The Company does not follow recommendation 2.2. The office of Chair is held by Mr Chuanxi Ding, a nominee of ZIMC, the largest shareholder of Zeus.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The CEO is responsible and accountable to the Board for the Company's management. Mr Peter Williamson is the Chief Executive Officer of the Company. Mr Peter Williamson was appointed the CEO of the Company following the departure of Mr Ian De Renzie Duncan in February 2013. The Board delegated responsibilities and authority levels to the CEO formally via a detailed document on 26 July 2013.

BOARD NOMINATIONS

The Board has not established a Remuneration and Nomination Committee Charter. The Board has not implemented a Remuneration and Nomination Committee due to the Company's small size and nature of the Company. The Board does consider nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

During the financial year the Board implemented the functions listed below. Whilst the Company has not adopted Recommendation 2.4, the Board is effectively managing the functions normally expected of such a committee.

The responsibilities assumed by the Board include:

- Board and senior executive functions;
- Board composition;
- criteria for nomination of Directors;
- selection and appointment of the Chairperson;
- selection and appointment of the Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee; and
- overseeing of Board and executive succession plans.

PERFORMANCE REVIEW AND EVALUATION

The Company does not follow recommendation 2.5 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2.

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the members of the Board.

The Chairman also speaks to Directors individually regarding their role as a Director.

INDUCTION AND EDUCATION

The Company does have a policy to provide each new Director or officer with a copy of the following documents:

- Responsibilities of Department Policy;
- Board procedures, rules and responsibilities Policy;
- Salary and Performance Policy;
- Fixed Assets Management Policy;
- Financial Policy;
- Travel and Accommodation Policy;
- Employee Manual;
- Recruitment Policy;
- Delegated Authority of Limits
- Securities Trading Policy; and

The Company does not have the following policies in place as yet due to its size and nature, the content of these policies are enshrined in the above policies and in employment contracts;

- Audit and Risk Charter;
- Remuneration and Nomination Charter;
- Diversity policy.

ACCESS TO INFORMATION

Each Director has access to Board papers and all relevant documentation.

SKILLS KNOWLEDGE AND EXPERIENCE

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in accounting and finance, exploration geology, and, Director-level business or corporate experience required by the Company.

INDEPENDENT DIRECTORS

The Company considers that as at 30 June 2013 Mr. Gregory Clifton Hall is classified as an Independent Director.

PROFESSIONAL ADVICE

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

PERIOD OF OFFICE HELD BY EACH DIRECTOR

- Dr Michael Anthony Etheridge since 18 September 2010
- Mr Gregory Clifton Hall since 18 August 2010
- Mr Jiangang Zhao since 25 February 2013
- Mr Chuanxi Ding since 25 February 2013
- Mr Zhang Yong since 25 February 2013

TERMS OF APPOINTMENT AS A DIRECTOR

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

MEETINGS OF THE REMUNERATION AND NOMINATION COMMITTEE

The Company has not established a Remuneration and Nomination Committee. However, the members of the Board communicated with each other on regular basis to address any issues which arose in this regard.

Principle 3 – Promote ethical and responsible decision making

CODE OF CONDUCT AND ETHICAL STANDARDS

The Company has adopted recommendation 3.1 by establishing a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Company is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

SHARE DEALINGS AND DISCLOSURES

The Company has adopted a Securities Trading Policy. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

CONFLICT OF INTEREST

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and

- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

BOARD DIVERSITY

The Company does not comply with recommendation 3.2 by establishing a diversity policy. The nature of the policy for a Company of this size is inappropriate.

The Company does not comply with recommendation 3.3. Due to the small size of the company, it employs one full time executive and three full time staff of which one is female.

The Company complies with recommendation 3.4 by notifying that one female is in a senior position and no females are on the Board. However, the Company does take into account the gender, age, ethnicity and cultural background of potential Board members, Executives and Contractors.

Principle 4 – Safeguard integrity in financial reporting

AUDIT AND RISK COMMITTEE

The Company has not established an Audit and Risk Committee with a corresponding charter. The Audit and Risk compliance is managed by the full board of Zeus Resources. The objective of the Board is to make recommendations and implement, among various matters, the adequacy of the external audit, risk management and compliance procedures. The Board evaluates from time to time the effectiveness of the financial statements prepared for the Board meetings and to insure that an independent judgement is always exercised.

At the time the Annual Report was prepared, recommendation 4.2 is not fully adopted.

The Company has not followed recommendation 4.3 establishing an Audit Committee charter setting out the following:

- duties and responsibilities of the Committee;
- meetings;
- complaints procedures;
- composition of the Audit Committee;
- structure of the Audit Committee;
- number of meetings; and
- membership requirements.

The Company does not comply with recommendation 4.4, due to the size and nature of the Company the full Board takes responsibility for the Audit.

Principle 5 – Make timely and balanced disclosure

The Company has not adopted recommendation 5.1 by putting in place a continuous Disclosure Policy because of the size and nature of the Company.

CONTINUOUS DISCLOSURE TO THE ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities; and

- the announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in Zeus securities.

Zeus has not adopted recommendation 5.2 by making publicly available on its website a summary of the Continuous Disclosure Policy.

Principle 6 – Respect the rights of shareholders

The Company does not comply with recommendation 6.1 and 6.2 due to the size and nature of the Company.

COMMUNICATION TO SHAREHOLDERS

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Company will provide that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements are made available on the Company's website www.zeusresources.com and on the ASX website www.asx.com.au, under ASX code 'ZEU'.

Principle 7 - Recognise and manage risk

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Due to the size of the Company, recommendation 7.2 is not relevant for Zeus because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

INTERNAL CONTROL AND RISK MANAGEMENT

The primary vehicle for managing corporate risks is regular oversight by the Board. The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company has recently put in place a system that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The size of Zeus does not warrant the cost of appointing an internal auditor.

CEO AND CFO DECLARATIONS

The Company has adopted and complied with recommendation 7.3.

Due to the size of the management team, the Board has determined that the Deputy Chairman and the Account Officer are the appropriate persons to make the CEO and CFO declarations in respect of the year ended 30 June 2013, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Company has adopted and complied with recommendation 7.4 as follows:

- the Board conducted its evaluations regarding internal control and risk management;
- the Board has received the assurance from the Deputy Chairman and the Account Officer;
- the Company does not have a written policy on risks oversight management of business material risks because the number of people engaged in the Company's operations is minimal; and
- Independent professional advice - subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Principle 8 – Remunerate fairly and responsibly

The Board of Zeus has not established a remuneration Committee in accordance with Recommendation 8.1. The Board directed by the Chairman operates as the Committee, due to the size and nature of the Company.

The Remuneration and Nomination Committee held no formal committee meetings during the financial year ending 30 June 2013. However, the Board communicated regularly to address any issues that arose during the financial year.

REMUNERATION COMMITTEE CHARTER AND RESPONSIBILITIES

The Company has established a Salary and Performance Policy along with a Recruitment policy which operates in a similar fashion to a Remuneration and Nomination Committee charter. The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- Non-executive Directors' Remuneration;
- performance measurement policies and procedures;
- Administration of the Company's Diversity policy;
- Board evaluation and performance of Directors; and
- Issue and allotment of options to Directors and Senior Executives.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Company does not fully comply with recommendation 8.2 because of the current size of the Company. The committee has two members only.

REMUNERATION POLICY

The Directors remuneration is approved by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Company ensure that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of Directors and statutory officers are disclosed in the Annual Report of the Company each year.

The Company does follow recommendation 8.3. The Company does have a policy structure to remunerate Directors differently based on a fixed and incentive component salary packages to reflect the short and long term objectives of the Company.

- The salary component of the Managing Director/CEO remuneration is made up of fixed remuneration and long term incentive;
- The salary component of Non-executive Directors is made up of fixed remuneration.

The Company has not adopted recommendation 8.4 as follows due to its size and nature:

- The Company discloses the name of Directors in the Remuneration Committee and the attendance of each Director to the Remuneration Committee meetings, within its Directors' Reports;
- The Company does not provide any schemes for retirement; and
- The Company has not made publicly available a summary of the Remuneration Committee Charter on the Company's website.

ABN 70 139 183 190

Directors
Mr Chuanxi Ding (appointed 25 February 2013)
Dr Michael Anthony Etheridge (18 September 2010)
Mr Gregory Clifton Hall (appointed 18 August 2010)
Mr Jiangang Zhao (appointed 25 February 2013)
Mr Zhang Yong (appointed 25 February 2013)

Company Secretary
Andrew Whitten

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Stock Exchange Listing
Australian Securities Exchange
Listing code: ZEU