Zeus Resources Limited

INTERIM FINANCIAL REPORT
for the half-year ended
31 December 2013

The information contained in this report is to be read in conjunction with Zeus Resources Limited's 2013 annual report and announcements to the market Zeus Resources released during the half-year period ending 31 December 2013

ABN 70 39 183 190

WWW.ZEUSRESOURCES.COM

CORPORATE DIRECTORY

Directors

Chuanxi Ding	Non-executive Chairman
Jiangang Zhao	Acting CEO and Non-executive Director
Greg Hall	Non-executive Director
Yong Zhang	Non-executive Director

Company Secretary
Andrew Whitten

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Level 11 50 Pitt Street
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Auditor
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29/66 Goulburn St
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Share Registry
Link Market Service
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Australian Securities Exchange
ASX Code – ZEU

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DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the company and its controlled entities, for the half-year ended 31 December 2013.

Directors

The names of Directors in office at any time during or since the end of the half-year are:

Mr Chuanxi Ding

Mr Jiangang Zhao

Mr Greg Hall

Mr Yong Zhang

Dr Mike Etheridge (Resigned 5th November 2013)

Directors have been in office since the start of the financial year (1 July 2013) to the date of this report unless otherwise stated.

Significant events during the reporting period

During the half-year the Group undertook significant surveying of the Narnoo project. Completion of HeliTEM airborne survey at Narnoo successfully revealed a palaeochannel system buried beneath dunes of Great Victoria Desert. This allowed definition of drill targets which will be tested in next quarter.

The Group also achieved expenditure targets which allowed for the completion of transfer of the titles from Geological Resource Solutions Pty Ltd to Zeus Resources Ltd. Tenements successfully transferred were E39/1689 and E39/1687 (part of the Narnoo project). Three other titles also met the criteria for transfer; E69/2362 North Musgrave, E36/733 Yeelirrie South and E36/735 Yeelirrie South. Documentation to complete the transfer is currently with the WA Office of State Revenue for assessment and compliance with stamp duty regulations applicable to the contract for transfer from Sammy Resources Pty Ltd to Zeus Resources Ltd. In addition Aboriginal heritage agreements were received for the tenements E53/1247 Hinkler Well (Lake Way project), E36/733 and E36/735 Yeelirrie South Project and E69/2362 North Musgrave project. It is expected that when the title transfer of these tenement occurs, in the next quarter, the heritage agreements will be executed shortly thereafter.

A number of changes in the board and management occurred during the reporting period. Mr Peter Williamson was terminated as CEO of the company and Mr Jiangang Zhao was appointed and remains acting CEO. Dr Mike Etheridge resigned as a director and was not replaced. The board approved that Mr Chuanxi Ding be paid director's fees of $80,000 per annum and Mr Jiangang Zhao and Mr Yong Zhang be paid $50,000 per annum. Payments of fees commenced from 1st December 2013. Mr Yong Zhang also received board approval for consultancy fees to be paid to Ace Win Group Ltd (Hong Kong) to an amount of $120,000 payable over 15 months for advisory services provided to the company for providing project information and assistance with identifying investment opportunities.

The company also entered into a sublease arrangement with Heng Ji Investments Australia Pty Limited for the office premises in Sydney. The lease commitment will expire 11th September 2017 and equates to a financial commitment by the company of $1,061,500.

Review of Operations

The Group continued to formulate its funding and development options through a strategic review. Through this review process, the Group will be focusing on geological exploration and project acquisitions. The main targets will be uranium and other metals. As the market is in a current downturn, the Group's objective is to take advantage of this low and actively pursue project acquisitions. The Group currently has under review data and information from several possible project acquisitions.

Wiluna Project WA

Zeus has completed processing and interpretation of ground gravity survey data and has undertaken a review of the available historical exploration data. Zeus's ground gravity surveying was very successful in delineating the location of buried palaeochannels with the potential to contain sandstone-hosted mineralisation at depth.

A detailed exploration program has been developed for the Wiluna Project to test the buried palaeochannel system and proposes drilling approximately 100 aircore drillholes for approximately 5,000m. Zeus Resources is in the process of acquiring the necessary permitting and budgetary approvals to proceed with this program.

Zeus has signed an aboriginal heritage agreement for the tenements covering the Kukububba and Lake Gregory Palaeochannels (E53/1600 to E53/1604) with aboriginal heritage clearances of proposed drill sites currently scheduled for late April/May 2014.

Zeus is currently in the process of negotiating an aboriginal heritage agreement for the tenements covering the Yeelirrie South palaeochannel (E36/733 & E36/735) with aboriginal heritage clearances to be scheduled following signing.

Narnoo Project, WA

Zeus has completed processing and interpretation of ground gravity survey acquired in 2012 and HeliTEM survey data flown in July 2013. Zeus's ground gravity surveying was particularly successful in delineating the underlying structural geology controlling the location of buried palaeochannels within Zeus' tenement holdings. Zeus' HeliTEM survey confirmed expanded upon these findings to define an extensive palaeochannel system developed on the margins of the Narnoo Basin that also hosts the Mulga-Rock Uranium Deposits to the southeast.

At Mulga Rocks, Energy & Minerals Australia's Ambassador and Princess deposits occur within palaeochannel sediments deposited within a fault-bounded structural trough. In addition to defining two similar structural troughs, interpreted to be infilled with prospective Tertiary palaeochannel sediments, Zeus' HeliTEM survey also indicated that the prospective fault-bounded Ambassador/Princess palaeochannel extends for approximately 20km further to the northeast through Zeus' tenement holding. This palaeochannel is considered to have excellent potential to contain lignite-and sandstone-hosted mineralisation.

A review of the available historical exploration data, including widely-spaced historical drilling, has indicated that anomalous uranium mineralisation is frequently associated with reduced sediments (particularly coarse sandstones) within the palaeochannels defined on Zeus' tenement holdings. The review of historical exploration data also indicated older Cretaceous/Permian sandstones form a second potential exploration target at depth.

A detailed exploration program has been developed for the Narnoo Project and proposes drilling approximately 65 aircore drill holes for approximately 5,000m. Zeus Resources is in the process of acquiring the necessary permitting and budgetary approvals from the board to proceed with this program.

Native title has been extinguished in the Narnoo region and Zeus does not require aboriginal heritage clearances before commencing drilling.

Gascoyne Project, WA

Zeus is currently in the process of planning a field reconnaissance visit to its Gascoyne Project tenements in mid 2014.

North Musgrave Project, WA

Zeus is currently in the process of negotiating an aboriginal heritage and access agreement for its North Musgrave tenement. A field reconnaissance visit and 'on country' heritage meeting with the traditional owners is currently scheduled for late March, 2014.

Percival Lakes Project, WA

Further to the Board's strategic review the application process for the six tenements that constituted the Percival Lakes project was ceased. The company will not be pursing the licenses for these tenements any further.

Corporate

During the half-year, the parent company Zeus Resources Limited, placed Kalium Corporation Ltd into liquation. The company expects the liquidation to be complete by 31 May 2014 and Kalium Corporation Ltd to be subsequently deregistered. The liquidation of Kalium Corporation Ltd will not have any financial impact on Zeus Resources Ltd

Operating Result

The consolidated loss for the half-year amounted to $654,818 (December 2012:$ 1,539,339). The decrease is attributable to a reduction in operational costs and less project evaluation than budgeted for this half-year.

Financial Position

The net assets of the Group have decreased from $9,557,000 at 30 June 2013 to $8,902,181 at 31 December 2013. As at 31 December 2013, the Group's cash and cash equivalents decreased to $7,492,191 at period end.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2013 has been received and can be found on page 7 of the half-year report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

CHUANXI DING
Chairman
Dated this 13th Day of March 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ZEUS RESOURCES LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 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
Chartered Accountants
ABN 16 021 300 521

Paul Collins
Partner
Sydney, 13 March 2013

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated Group 31-Dec 2013 $	31-Dec 2012 $
Revenue			
Other income		103,419	2,899
Accounting and audit fees		90,244	45,765
Business development		18,804	-
Company secretarial and compliance		30,000	66,751
Computers and communications		12,501	1,540
Depreciation		16,911	2,441
Director Fees & Expenses		122,270	158,238
Employee salaries and benefits		192,127	259,823
Exploration Evaluation Expenses	2	163,044	432,298
Finance costs		3	29,041
Insurance		4,789	957
Legal and consulting fees		81,773	265,415
Public relations		-	92,353
Rent and utilities		19,791	2,767
Share-based payments		(37,432)	-
Share registry and listing fees		27,670	85,808
Travel and accommodation		12,223	84,163
Other Expenses		3,519	14,878
		758,237	1,542,238
Loss before income tax	3	(654,818)	(1,539,339)
Income tax expense		-	-
Loss for the half-year attributable to the members of the parent entity		(654,818)	(1,539,339)
Other Comprehensive Income			
		-	-
Total comprehensive loss attributable to members of the parent entity		(654,818)	(1,539,339)
Earnings per Share:			
Basic loss per share (cents per share)		(0.36)	(1.9)
Diluted loss per share (cents per share)		(0.36)	(1.9)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	Consolidated Group 31-Dec 2013 $	30-Jun 2013 $
CURRENT ASSETS			
Cash and cash equivalents		7,492,191	8,689,953
Trade and other receivables		34,424	106,429
TOTAL CURRENT ASSETS		7,526,615	8,796,382
NON-CURRENT ASSETS			
Plant and equipment		71,596	62,336
Exploration and evaluation assets		1,614,428	1,419,050
TOTAL NON-CURRENT ASSETS		1,686,024	1,481,387
TOTAL ASSETS		9,212,639	10,277,768
CURRENT LIABILITIES			
Trade and other payables		274,258	697,589
Short term provisions		36,199	23,179
TOTAL CURRENT LIABILITIES		310,457	720,768
TOTAL LIABILITIES		310,457	720,768
NET ASSETS		8,902,182	9,557,000
EQUITY			
Issued capital	4	17,398,332	17,398,332
Reserves		247,500	247,500
Accumulated losses		(8,743,650)	(8,088,832)
TOTAL EQUITY		8,902,182	9,557,000

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Consolidated Group	Contributed Equity $	Accumulated Losses $	Options Reserve $	Total $
Balance at 1 July 2012	3,398,334	(2,268,565)	-	1,129,769
Loss for the half-year	-	(1,539,339)	-	(1,539,339)
Transaction with owners, in their capacity as owners				
Shares issued during the half-year	2,000,000	-	-	2,000,000
Balance at 31 December 2012	5,398,334	(3,807,904)	-	1,590,430
Balance at 1 July 2013	17,398,332	(8,088,832)	247,500	9,557,000
Loss for the half-year	-	(654,818)	-	(654,818)
Transaction with owners, in their capacity as owners				
Shares issued during the half-year	-	-	-	-
Balance at 31 December 2013	17,398,332	(8,743,650)	247,500	8,902,182

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated Group 31-Dec 2013 $	31-Dec 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		103,419	2,899
Payments to suppliers and employees		(1,097,984)	(924,718)
Net cash used in operating activities		(994,567)	(921,819)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(17,631)	(12,829)
Payments for exploration expenditure		(185,564)	-
Purchase of tenement licenses			(300,000)
Net cash used in investing activities		(203,195)	(312,829)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of shares		-	2,239,119
Proceeds from borrowings		-	948,750
Net cash provided by financing activities		-	3,187,869
Net increase/(decrease) in cash and cash equivalents held		(1,197,762)	1,953,221
Cash and cash equivalents at beginning of period		8,689,953	256,040
Cash and cash equivalents at end of period		7,492,191	2,209,261

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Zeus Resources Limited and its controlled entities ('Consolidated Group', 'Group') for the half-year ended 31 December 2013. Zeus Resources Limited is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on March 2013 by the directors of the Company.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Zeus Resources Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half year of $654,818 and net cash outflows of $1,197,762.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to manage cash flows in line with available funds, and/or the successful development of the Group's exploration assets. Should the above matters not be achieved; the Group will be required to raise funds for working capital from debt or equity sources.

Based upon cash flow forecasts and other factors referred to above, the Board of Directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

(a) Changes in Accounting Policies

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year. The adoption of these standards and interpretations did not have any significant impact on the financial performance or position of the group

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards or Interpretations are most relevant to the group:

AASB 10 – Consolidated Financial Statements
AASB 13 – Fair Value Measurement
AASB 119 – Employee Benefits

AASB10 - Consolidated Financial Statements

AASB 10 supersedes AASB 127 “Consolidated and Separate Financial Statements” and Interpretation 112 “Consolidation – Special Purpose Entities”. AASB 10 revises the definition of control and provides new guidance on its application.

Under the new principles, the group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on any of the Group’s investments held during the current or comparative periods covered by these financial statements.

AASB 13 – Fair Value Measurement

AASB 13 defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. The standard requires inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy and enhanced disclosures regarding all assets and liabilities measured at fair value.

The implementation of this standard did not impact the groups accounting policies or the measurement of any amounts recognised on the financial statements. The standard did however introduce additional disclosure requirements.

AASB 119 – Employee Benefits

AASB 119 Employee Benefits includes changes to require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. This has resulted in changes to the accounting policy applied to the group’s annual leave obligation as the group does not expect all annual leave to be taken within twelve months of the respective service being provided.

The implementation of this standard did not significantly impact the Consolidated Entity’s financial statements.

(b) Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2013 annual report with the exception of the following:

***Key* Judgments – Exploration and evaluation expenditure**

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The carrying value of capitalised expenditure at reporting date is $1,614,428, an increase of $195,378.

NOTE 2. EXPLORATION AND EVALUATION ASSETS

NON-CURRENT

	Consolidated Group	
	31-Dec 2013 $	30-Jun 2013 $
Opening balance	1,419,050	997,455
Exploration expenditure at cost	195,379	1,578,384
Exploration expense written-off	-	(1,156,789)
Net carrying value	1,614,428	1,419,050

The value of the Group interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or
- by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Australia.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 3. LOSS BEFORE INCOME TAX EXPENSE

	Consolidated Group	
	31-Dec 2013 $	31-Dec 2012 $
Loss before income tax expense has been determined after:		
a) income		
- bank interest	103,419	2,899
b) expenses		
- loan interest	(3)	(29,041)

NOTE 4. CONTRIBUTED EQUITY

31 December 2013	Consolidated Group Number on Issue
a) Ordinary Shares Number	
Balance at the beginning of the period	180,150,000
Shares issued during the period	-
Balance at the end of the period	180,150,000
	Value $
b) Ordinary Shares Value	
Balance at the beginning of the period	17,398,332
Shares issued during the period	-
Balance at the end of the period	17,398,332

30 June 2013	Number on Issue
a) Ordinary Shares Number	
Balance at the beginning of the period	77,500,000
Shares issued during the period	102,650,000
Balance at the end of the period	180,150,000
	Value $
b) Ordinary Shares Value	
Balance at the beginning of the period	3,398,332
Shares issued during the period net of costs	14,000,000
Balance at the end of the period	17,398,332

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

NOTE 5. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2013 that has significantly affected or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

NOTE 6. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Key Management Personnel:	Consolidated Group 31-Dec 2013 $	30-Jun 2013 $
Payment of rent under lease arrangement with Heng Ji Investments Australia Pty Ltd for use of Sydney office [1]	73,229	
Payment for legal services provided by Whittens & McKeough Pty Ltd [2]	24,343	341,998
	97,572	341,998

[1] Mr Young Zhang, director is also the director/owner of Heng Ji Investments Australia Pty Ltd. Monthly rent payments were made to CBRE Ltd on behalf of Heng Ji Investments Australia Pty Ltd for the use of the Sydney offices occupied by Zeus Resources Ltd up to the 17th October 2013. The Sydney office was then formally subleased by Zeus Resources Ltd from 18th October 2013.

[2] Mr Andrew Whitten, solicitor with Whittens & McKeough Pty ltd, is also the company secretary of Zeus Resources Ltd. Services are provided on an as required basis.

NOTE 7. OPERATING SEGMENTS

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 8. CONTINGENT LIABILITIES

The Group has no current contingent liabilities.

NOTE 9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The directors consider that the carrying amount of the financial assets and liabilities recorded in the financial statements approximates their fair values.

NOTE 10 . COMMITMENTS

	Consolidated Group 31-Dec 2013 $	31-Dec 2012 $
Tenement Commitments		
1 year or less	941,500	676,500
Total	941,500	676,500
Operating Lease Commitments		
1 year or less	126,429	-
1 to 5 years	853,266	-
Total	1,061,500	-

NOTE 11 . TENEMENT SCHEDULE

Tenement	Project	Sub-Project	Status	Name	Area (Blocks)	Term Granted
E53/1601	Lake Way	Kukabubba Palaeochannel	Granted	HARVEY WELL	70	5 Yrs
E53/1602	Lake Way		Granted	CUNYA	57	5 Yrs
E53/1603	Lake Way		Granted	LAKE URAMURDAH	16	5 Yrs
E53/1604	Lake Way	Lake Gregory Palaeochannel	Granted	SHANNON WELL	48	5 Yrs
E53/1600	Lake Way		Granted	PAROO	60	5 Yrs
E53/1247	Lake Way	Hinkler Well	Granted	ALBION DOWNS	13	5 Yrs (Extended)
E36/733	Yeelirrie South		Granted	YAKABINDIE	70	5 Yrs
E36/735	Yeelirrie South		Granted	YEELIRRIE	11	5 Yrs
E69/2362	North Musgrave		Granted	VAN DER LINDEN	50	5 Yrs
E39/1401	Narnoo		Granted	Great Victoria Desert	105	5 Yrs
E28/2096	Narnoo		Granted	Great Victoria Desert	30	5 Yrs
E28/2097	Narnoo		Granted	Great Victoria Desert	11	5 Yrs
E39/1683	Narnoo		Granted	Scorpion	127	5 Yrs
E39/1687	Narnoo		Granted	Great Victoria Desert 2	10	5 Yrs
E39/1689	Narnoo		Granted	Great Victoria Desert	14	5 Yrs
E09/1618	Mortimer Hills		Granted	U 20 (Mortimer Hills)	62	5 Yrs
E52/2122	Red Rock		Granted	Red Rock	17	5 Yrs (Extended)

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 15, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001 and

   (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the Consolidated Group.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

CHUANXI DING
Chairman

Dated this 13th Day of March 2013

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

Report on the Half-Year Financial Report
We have reviewed the accompanying half-year financial report of Zeus Resources Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated condensed statement of financial position as at 31 December 2013, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and
— complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Zeus Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zeus Resources Limited is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Zeus Resources Limited for the half year ended 31 December 2013 included on Zeus Resources Limited 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 review report refers only to the half year 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 reviewed half year financial report to confirm the information included in the reviewed 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, 13 March 2013