

QUARTERLY ACTIVITIES REPORT

For the period ending 30th June 2017

The Board of Zeus Resources Limited is pleased to release its Third Quarterly Activities Report covering the period ending 30th June 2017.

Highlights

- The company undertook a four day field trip to the Gascoyne project;
- Under the JV with Segue, Zeus has confirmed with Segue the completion of the Stage 1 Farm-in. Segue has earned a 35% Participating Interest of the tenement of E09/1618, and will continue to Stage 2 farm-in to acquire an additional 15% Participating Interest.

Corporate and Financial

- Quarterly administrative and other operational expenditures are within budget;
- The current lease of the Sydney office will be expired on 14th of September 2017, the company is seeking a new office place.

Tenement Status

Exploration Licence E36/733, Yeelirrie South, was surrendered during the Quarter. Exploration Licence E39/1683, Narnoo North, was transferred by a deed of sale to Velo Resources Pty Ltd. Segue has earned a 35% Participating Interest of the tenement of E09/1618.

Tenements are shown in Figure 1 and detailed in Table 1.

Exploration Project Locations

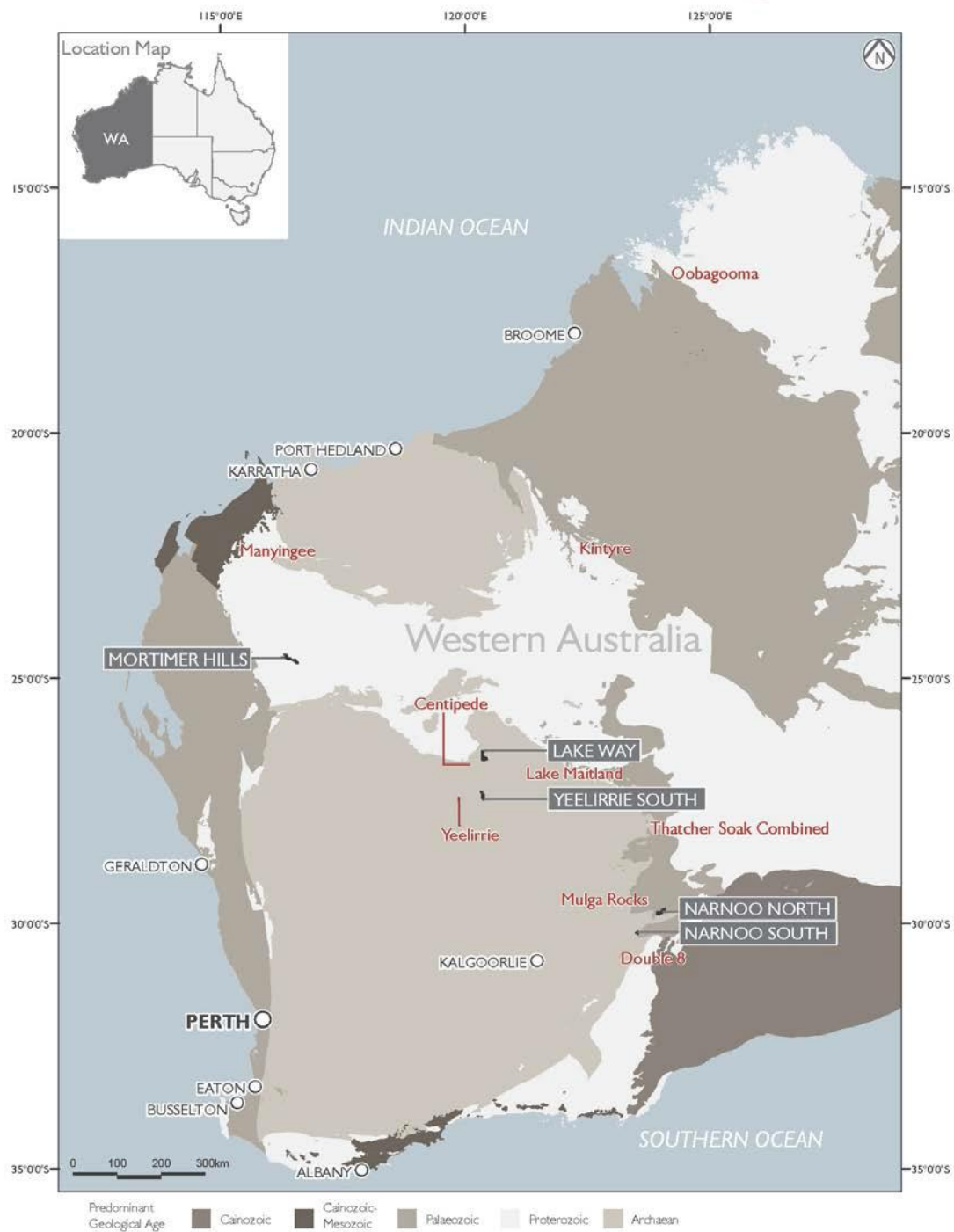


Figure 1. Zeus Resources Tenement Location Map.

Region	Project	Tenement	Status	Holder	Operator	Comments
Wiluna	Lake Way	E 53/1601	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
		E 53/1603	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
		E 53/1604	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Narnoo	Narnoo South	E 28/2097	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Gascoyne	Mortimer Hills	E 09/1618	Granted	Zeus Resources Ltd	Segue Resources Ltd	65% of interest remaining
		E 09/2147	Granted	Zeus Resources Ltd	Zeus Resources Ltd	
Table 1. Zeus Resources Tenement Details						

Exploration Program

During the quarter, a reconnaissance field trip was conducted at the Gascoyne project (E09/2147) by Company geologists. No fieldwork was completed on the other tenements managed by Zeus Resources Ltd.

Wiluna Project

Zeus continues to explore options for follow up drilling on the Lake Way Project.

The proposed drilling is a follow up to a successful drilling program conducted in December 2014 where prospective reduced sediments were determined to be widespread at depth within the Lake Way Palaeochannel, with a regionally extensive target sand horizon determined to be restricted to the palaeovalley axis.

The follow up drill program has been planned to target these prospective reduced palaeochannel sandstones within the Kukububba (Lake Way) Palaeochannel.

Approval for this drilling program has been granted by the DMP, with Aboriginal heritage clearance also obtained, for these drill locations within the Lake Way Project area.

After the exploration work that carried by Zeus, the company decided to relinquish the tenement of E36/733. The surrender was lodged on 07 March 2017.

Narnoo Project

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

The follow up drilling program of 12 (priority 1) holes at Narnoo South is designed to confirm uranium grade and thicknesses within the Driller's Palaeochannel which was identified during the drilling program conducted in May 2015.

Approval for this drilling program has been granted by the DMP for these drill locations.

Under the Sale Agreement with Velo Resources Pty Ltd (Velo), the tenement of E39/1683 has been transferred to Velo in the reported quarter.

Gascoyne Project

During the quarter Zeus Resources Ltd. undertook a four day field trip to the Gascoyne project. The purpose of the field trip was to investigate a reported copper/galena barite vein within E09/2147 and to assess the potential for Lithium-Tantalum pegmatites, such as those identified on the Company's adjacent licence, E09/1618, which is being explored in a joint venture with Segue Resources Ltd.

A number of mapping and rock chip sampling traverses were completed over potential target areas, with a total of six rock chips samples collected, including two samples targeting gold mineralisation associated with shear zone hosted, quartz veining.

The samples were submitted to SGS Australia in Perth for sample preparation and analysis by aqua regia and ICP-OES for a suite of elements including Au, Cu, Zn, Fe, Mn, Pb, Ni, and Co. The results are still pending.

During March 2017, joint venture partner Segue Resources Ltd ("Segue") carried out a follow-up stream sediment survey on E09/1618 over the Camel Hill Prospect, where anomalous results for Lithium Caesium Tantalum (LCT) indicator minerals had been identified. The stream sediment survey was designed to extend upon the previous work to cover off on the prospective ground around Camel Hill within the metasediments of the Mount James Subgroup and Leake Springs Metamorphics.

Given the well-developed drainage patterns and abundant outcrop of the Gascoyne Project area, it was decided that a stream sediment survey would be the most effective and efficient program for geochemical evaluation.

Samples were collected at an average sample density of 2.5 samples per square kilometre from appropriate drainages, representing their respective areas.

Samples consisted of 150-200 grams of -80 mesh (-177 micron) stream sediment material collected from each sample location from along the stream. Samples were then dispatched to ALS laboratories in Perth for ultra-trace multi-element analysis by a four-acid digest and ICP-MS finish via method ME-MS61L.

The stream sediment sampling has highlighted the potential of the Camel Hills areas to host LCT pegmatites by defining a low order Li-Cs-Ta-Rb anomaly which warrants further exploration. The results are being reviewed and additional stream sediment sampling and soil geochemical sampling programs will be planned accordingly.

Under the JV with Segue, Zeus has confirmed with Segue the completion of the Stage 1 Farm-in. Segue has earned a 35% Participating Interest of the tenement of E09/1618, and will continue to Stage 2 farm-in to acquire an additional 15% Participating Interest.

Competent Person Statement:

Information in this release that relates to Exploration Results is based on information compiled by Mr Andrew Rust, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Rust is a full time employee of Shearwater Australia Proprietary Limited. Mr Rust is engaged by Zeus Resources Limited as an independent consultant. Mr Rust has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rust consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.