



Annual Report

For the year ended 30 June 2023

*The information contained in this report is to be read
in conjunction with Zeus Resources Limited's 2023
half year report and announcements to the market
Zeus Resources released during the period.*

WWW.ZEUSRESOURCES.COM ABN 70 139 183 190

CORPORATE DIRECTORY

Directors

Mr Ding Xu – Non-Executive Chairperson

Mr Sitong Wu – Executive Director and Acting CEO

Mr Colin Mackay- Non-Executive Director (resigned 7 July 2023)

Mr Yicheng Zhang - Non-Executive Director

Mr Jian Liu – Executive Director and General Manager Geology and Exploration

Company Secretary

Mr Jian Liu

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CHAIRPERSON'S REPORT

Dear Fellow Shareholders,

On behalf of your Board of Directors it is with great pleasure that I write to you and present the Zeus Resources Ltd ("Zeus", "ZEU" or "the Company") Annual Report for the year ended 30 June 2023.

We are excited about the Company getting reinstated on ASX in February 2023 after an oversubscribed fund raising of A\$2,191,500.

We have been actively carrying out exploration on our tenements during this year and have applied for several new tenements to build a more diversified asset portfolio after the reinstatement. The drilling program at our highly prospective Mortimer Hills lithium project has returned encouraging results and the Company will continue with further exploration at Mortimer Hills next financial year.

The successful Rights Issue has improved our financial position, thus providing sufficient funds for Zeus to conduct more exploration work, keep the existing tenements in good order, look for new potential projects and maintain a suitable working capital position.

Exploration

Exploration effort during the year has remained focused on the Company's highly prospective Mortimer Hills Project (E09/2147) and Wiluna Project (E53/1603).

During September 2022 a Drone Aerial Survey was carried out at Mortimer Hills. This survey covered prospective areas for lithium, manganese and base metals with high-resolution photogrammetry received covering Pegmatite Creek. Results of the survey indicate this method is highly effective in locating outcropping pegmatites.

During May 2023 the Company completed the Phase 1 drilling program of 19 holes for a total of 948m. This drilling intersected multiple thick pegmatites at Pegmatite Creek, Alpha, and Beta Prospects after which the assay results were found to be un-mineralised. A further 11 holes for a total of 1,260m were then drilled during July 2023 testing new targets that intersected more thick pegmatites at Alpha and Creek. Assays results for this most recent drilling are still pending.

The Company completed two air-core drill holes at the Wiluna Lake Way (E53/1603) focussing on a sulphate of potash (SOP) prospect during September 2022 for a total of 150m. Potassium and sulphate mineralisation was confirmed by assays in the palaeochannel basal sand up to 8.5 km north of the Salt Lake Potash Ltd (ASX: SO4) Lake Way SOP deposit.

The Company made 12 further tenement applications in Western Australia to expand our tenement portfolio.

CHAIRPERSON'S REPORT

Financial Position

The capital pressure faced by Zeus has been greatly eased by the placement in December 2022 and by exercising of options in the second of the year ended 30th June 2023. As a result, the Company had \$2,346,863 (2022: \$976,127) cash in its bank accounts at the end of June with no debt.

We are delighted that investors have strongly supported our strategy. I look forward to sharing with you the achievements of Zeus during the year ahead.

A handwritten signature in black ink, appearing to be 'Ding Xu', is positioned to the left of a vertical yellow line.

Mr. Ding Xu

Chairperson

Dated this 11th day of September, 2023

REVIEW OF OPERATIONS

Tenement Status

The company currently has a portfolio of fourteen tenements with two of the tenements granted, one in the Mortimer Hills Project and one in the Wiluna Project, and the rest being pending applications. The twelve tenement applications include seven surrounding the existing Mortimer Hills Project, one extending the existing Wiluna Project, two for the new Blue Hill Project and two for the new Musgrave Project. Eight of the tenement applications (E09/2791, E09/2798, E59/2806, E09/2865, E09/2874, E09/2886, E09/2891 and E09/4148) are subject to the ballot. Tenement locations are shown in Figure 1 and detailed in Table 1.

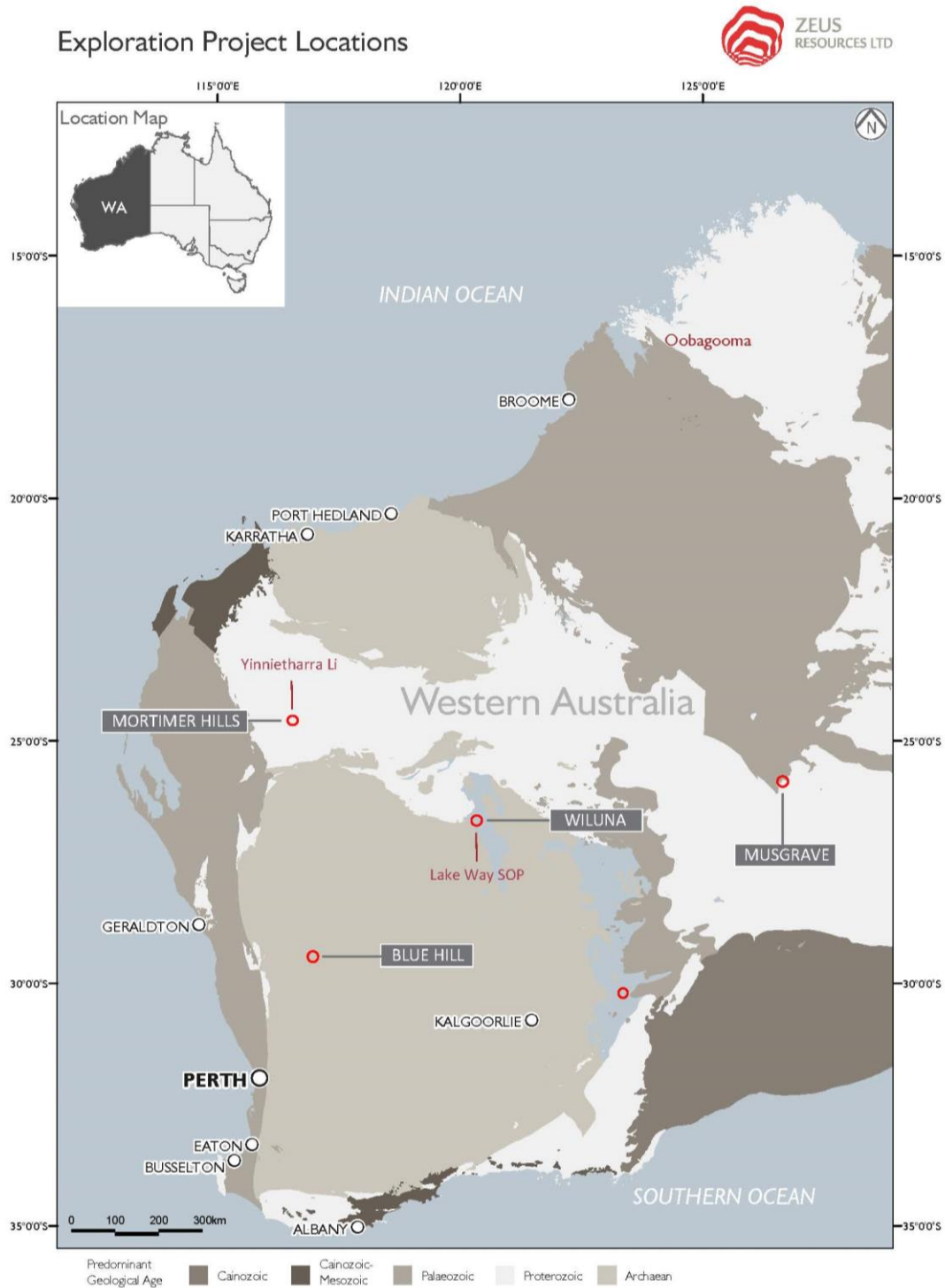


Figure 1: Zeus project locations.

REVIEW OF OPERATIONS

| Region | Project | Tenement | Status | Holder | Comments |
|----------|----------------|-----------|-------------|--------------------|---|
| Gascoyne | Mortimer Hills | E 09/2147 | Granted | Zeus Resources Ltd | |
| | | E09/2791 | Application | Zeus Resources Ltd | Applied on 27/02/2023. Subject to ballot. |
| | | E09/2798 | Application | Zeus Resources Ltd | Applied on 27/02/2023. Subject to ballot. |
| | | E09/2865 | Application | Zeus Resources Ltd | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2874 | Application | Zeus Resources Ltd | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2886 | Application | Zeus Resources Ltd | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2891 | Application | Zeus Resources Ltd | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2880 | Application | Zeus Resources Ltd | Applied on 18/06/2023. Subject to ballot. |
| Wiluna | Wiluna | E 53/1603 | Granted | Zeus Resources Ltd | |
| | | E53/2197 | Application | Zeus Resources Ltd | Applied on 27/10/2021. |
| Rothsay | Blue Hill | E59/2804 | Application | Zeus Resources Ltd | Applied on 20/03/2023. |
| | | E59/2806 | Application | Zeus Resources Ltd | Applied on 20/03/2023. Subject to ballot |
| Musgrave | Musgrave | E69/4147 | Application | Zeus Resources Ltd | Applied on 03/04/2023 |
| | | E69/4148 | Application | Zeus Resources Ltd | Applied on 03/04/2023 |

Table 1. Zeus Resources Tenement Details

REVIEW OF OPERATIONS

EXPLORATION

The Company completed two air-core drill holes at the Wiluna sulphate of potash (SOP) prospect in September 2022.

During June 2023 the Company carried out the first phase of its drilling program at Mortimer Hills Project along with reconnaissance geochemical sampling and field mapping. The second follow-up phase of reconnaissance drilling with further reconnaissance geochemical sampling and field mapping was completed in July 2023.

No other fieldwork was carried out during the year on the other tenements managed by Zeus Resources Ltd.

The Board continues to review all the Company's projects and updating exploration plans accordingly.

Mortimer Hills Project (E09/2147, E09/2791, E09/2798, E09/2865, E09/2874, E09/2886, E09/2891 and E09/4148)

The main Mortimer Hills Project comprises one granted exploration licence, E09/2147 and seven EL applications, located 5 km east southeast along strike from DLI's Yinnietharra Lithium Prospect (Figure 2).

As required by the WA Mines Department, the area covered by the Mortimer Hills tenement E09/2147 was reduced by 40% from 15 graticular blocks to 9 graticular blocks in September 2022. Zeus believes that relinquishing this area will not substantially reduce the prospectivity of the Project.

An Aerial Drone photogrammetry survey was carried out at Mortimer Hills by Pegasus Airborne Systems in late September 2022. Further data processing in March 2023 produced a high-resolution map for future mapping of possible pegmatite outcrops.

During March 2023 Company geologists carried out a field trip to the Mortimer Hills Project to confirm earlier mapping of pegmatites, take selected rock chip, soil and stream sediment samples for chemical analysis and to plan access for the first phase of the planned RC drilling program.

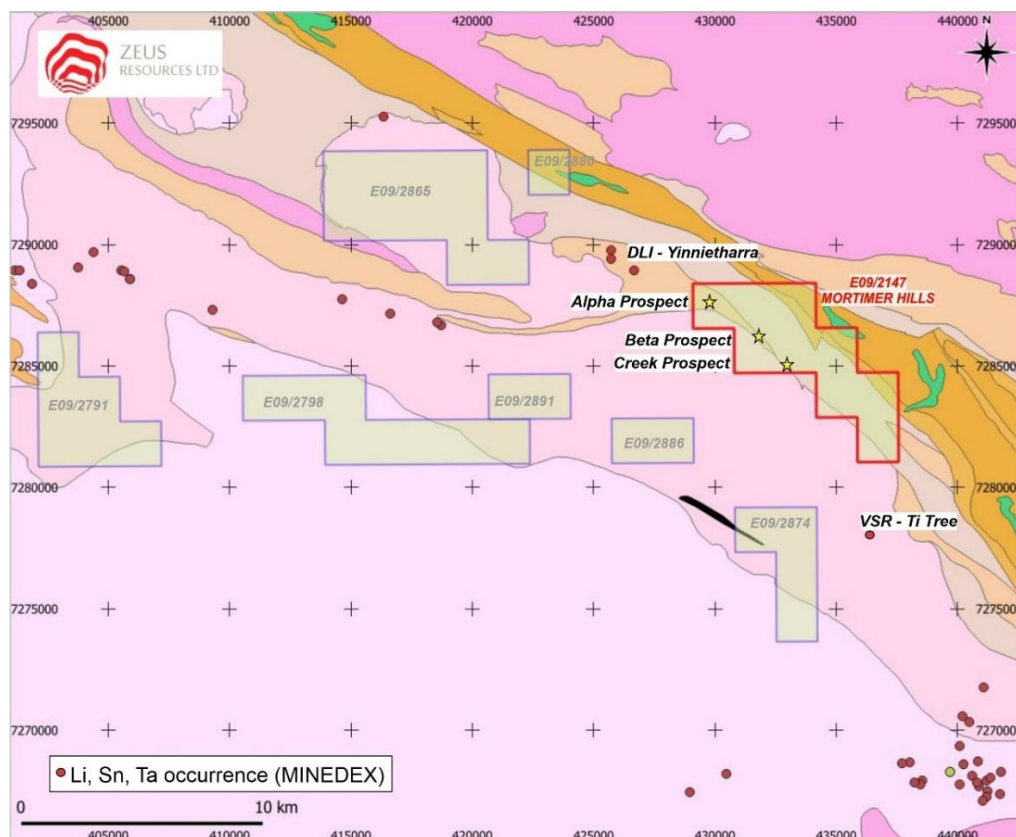


Figure 2: Zeus tenement locations at Mortimer Hills.

REVIEW OF OPERATIONS

Drilling Program

The Phase 1 RC drilling program was designed to be a reconnaissance program in which the Company completed shallow RC drill holes to partially test mapped pegmatites that sporadically extend from the western side of our Mortimer Hills tenement to the southeast with a potential strike length of up to 5 kms.

The Phase 1 drilling tested several outcropping pegmatites at the Alpha Prospect (Figure 3) on the western boundary of the tenement, potentially along strike from the expanding resource of DLI's Yinnietharra Lithium Project (Figure 3). A geochemical anomaly from the March field visit was also drill-tested in the central Beta Prospect area along with outcropping pegmatites further to the southeast at Pegmatite Creek (Figure 3). Pegmatites were encountered in the drilling at all three prospect areas.

In total the Phase 1 drill program consisted of 19 shallow RC holes for a total of 948 m drilled at a declination of 50-60° to depths of between 30-70 m with most holes drilled to 50 m. Ten of the holes encountered pegmatites with some encountering several pegmatites in the same drill hole.

The Company has received all the assay results from this first phase drilling program with none of the pegmatites logged in the drilling producing anomalous lithium (Li), tin (Sn) or tantalum (Ta) grades indicating that these pegmatites were not derived from the nearby Thirty Three Supersuite granite intrusion but rather a result of shearing of the host schists.

A second phase of drilling of 11 holes for a total depth of 1,260 m was completed during July 2023. This drilling progressively tested new targets closer to the Thirty Three Supersuite granitic intrusives and the Pooranoo Metamorphics contact not drilled in the first phase at the Alpha and Creek prospects that were identified during field mapping. The holes were also drilled deeper than the earlier drilling to determine if the grade improved with depth.

This second phase of drilling also intersected multiple thick pegmatites at Alpha and Creek prospects, reconfirming the prospectivity of the Mortimer Hills tenement.

Intercepts include:

MHC004: 108 m in three pegmatites intercepted from 11 m and open at end of hole at Creek Prospect.

MHA011: 43 m in four pegmatites intercepted from 10 m at Alpha Prospect.

MHA010: 36.5 m in eight pegmatites intercepted from 4 m at Alpha Prospect.

MHC005: 30 m in one pegmatite intercepted from 4 m at Creek Prospect.

MHA013: 25 m in five pegmatites intercepted from 4 m at Alpha Prospect.

The Company advises that all the drill intersection widths pertaining to the above intercepts are apparent only. As the orientation of the pegmatites is unknown so the true widths of the pegmatites will probably be less than these apparent widths.

The Company notes that the presence of pegmatite rock does not necessarily indicate the presence of lithium, cesium, tantalum (LCT) mineralisation. Laboratory chemical assays are required to determine the grade of mineralisation.

All the samples have been despatched to ALS Global laboratory in Perth for chemical analysis with assay results expected in September.

REVIEW OF OPERATIONS

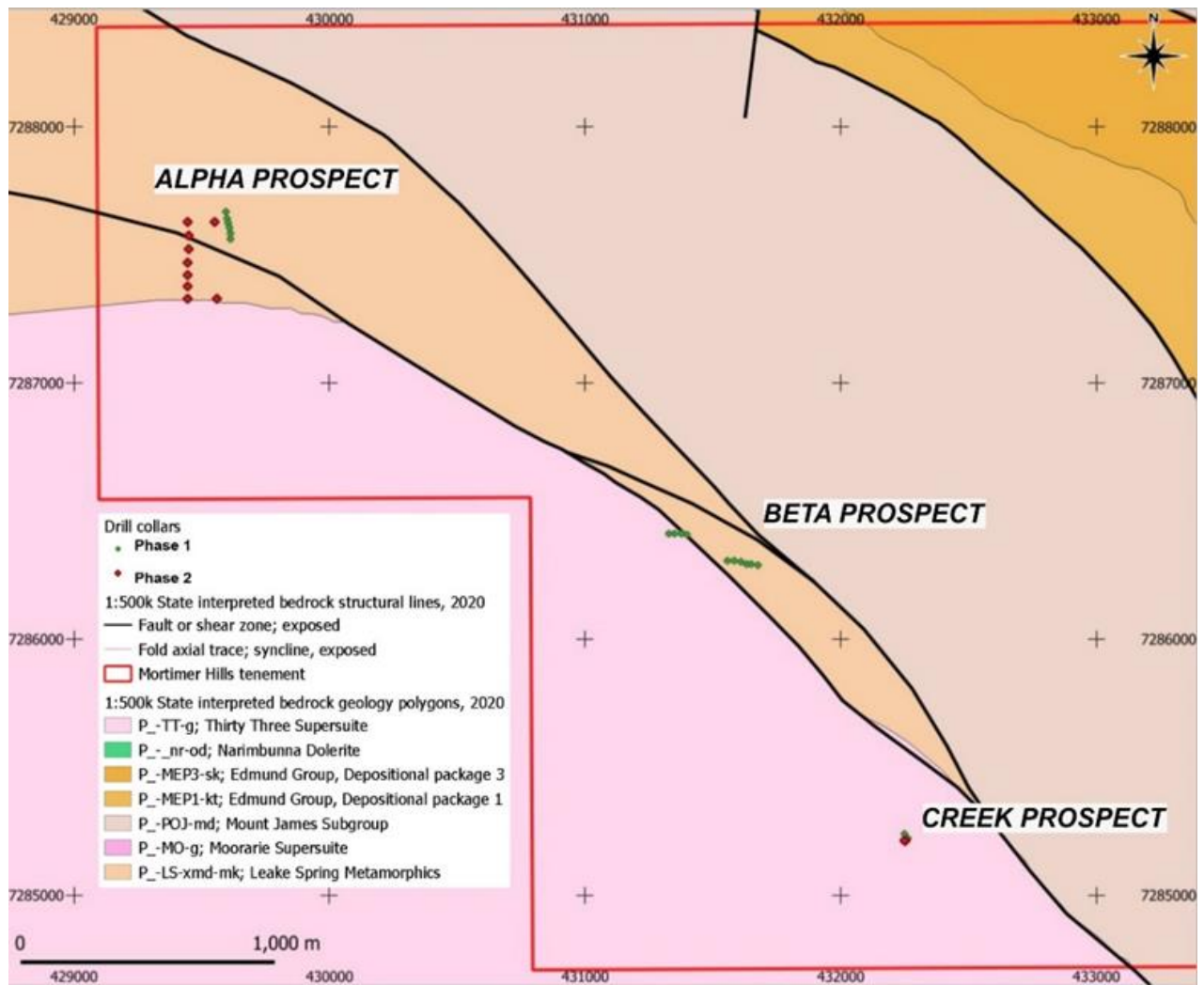


Figure 3: Drill hole locations at Mortimer Hills.

REVIEW OF OPERATIONS

Field Mapping And Soil Geochemical Sampling

The Company collected a total of 187 surface geochemical samples during July across key regional structures mapped by the Geological Survey of Western Australia (GSWA) to better target future drilling programs.

The pegmatites at the adjacent Yinnietharra Lithium project follow shears that potentially extend into the Mortimer Hills tenement (Figure 4). Zeus' soil geochemical sampling followed traverses across the interpreted extension of these shears and other GSWA regional shears at approximately 50 m intervals. Encouragingly, several substantial pegmatites were identified along these traverses at about the interpreted shears.

Depending on the assay results for these samples, further soil sampling is planned to in-fill the existing sample lines and to test other structural targets within the Mortimer Hills tenement.

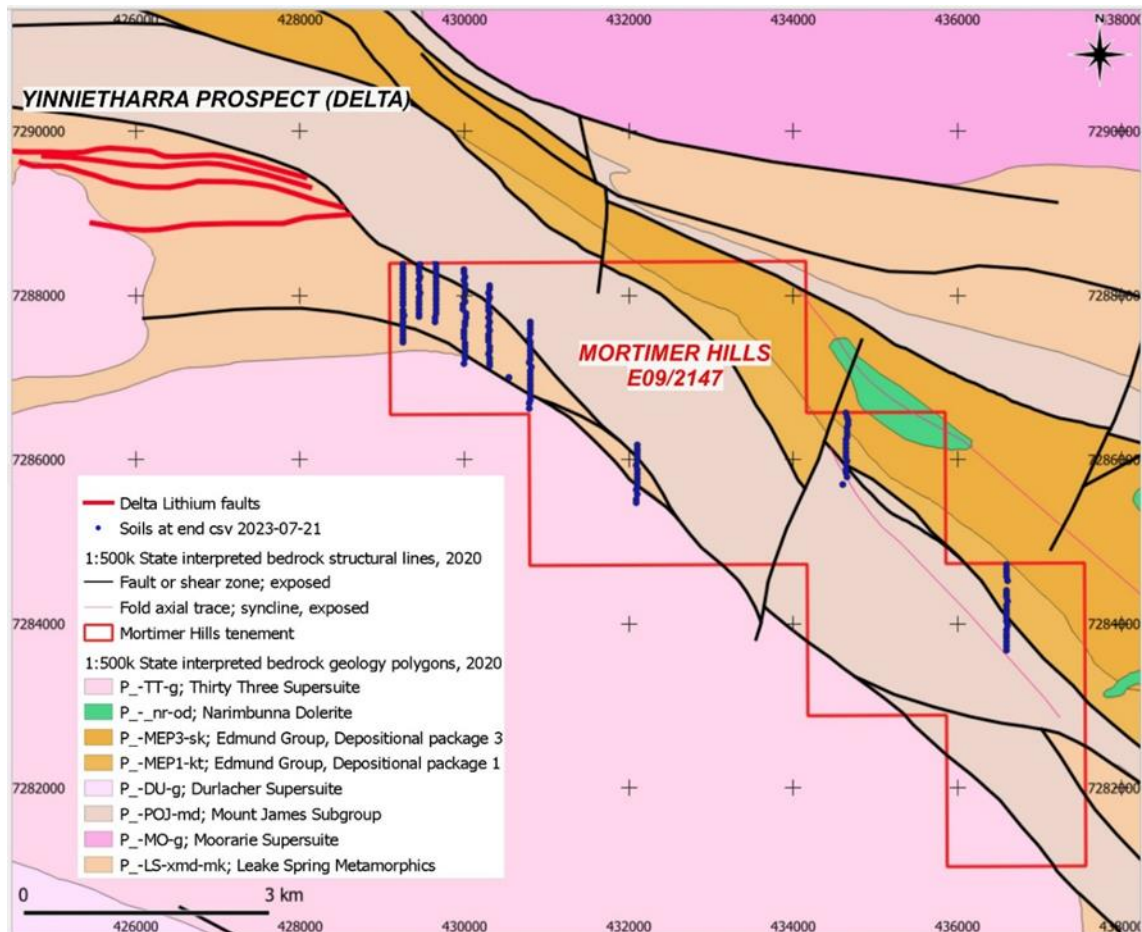


Figure 4: Soil geochemical sample locations on regional geology (after GSWA).

REVIEW OF OPERATIONS

New Tenement Applications – Gascoyne

The Company applied for two new Exploration Licences (E09/2791 and E09/2798) in February 2023. These tenement applications cover approximately 18.69 km² and 24.92 km². The Company applied for another five new Exploration Licences (E09/2865, E09/2874, E09/2886, E09/2891 and E09/4148) in June 2023 with a total area of 59.5 km² (Figure 5).

This tenement package covers Durlacher and Thirty-Three Supersuite granitic rocks that are regionally associated with lithium and REE bearing pegmatites (Figure 5).

All these tenement applications will be subject to ballots to determine the successful applicants.

| Region | Project | Tenement ID | Area (blocks) | Area (km ²) | Date of lodgement | Comments |
|--------------|----------------|-------------|---------------|-------------------------|-------------------|-------------------|
| Gascoyne | Mortimer Hills | E09/2791 | 6 | 18.69 | 27-02-2023 | Subject to ballot |
| | | E09/2798 | 8 | 24.92 | 27-02-2023 | Subject to ballot |
| | | E09/2865 | 10 | 31.3 | 19/06/2023 | Subject to ballot |
| | | E09/2874 | 4 | 12.509 | 19/06/2023 | Subject to ballot |
| | | E09/2886 | 2 | 6.257 | 19/06/2023 | Subject to ballot |
| | | E09/2891 | 2 | 6.258 | 19/06/2023 | Subject to ballot |
| | | E09/2880 | 1 | 3.13 | 19/06/2023 | Subject to ballot |
| Total | | | 33 | 103.064 | | |

Table 2. Gascoyne tenement applications.

REVIEW OF OPERATIONS

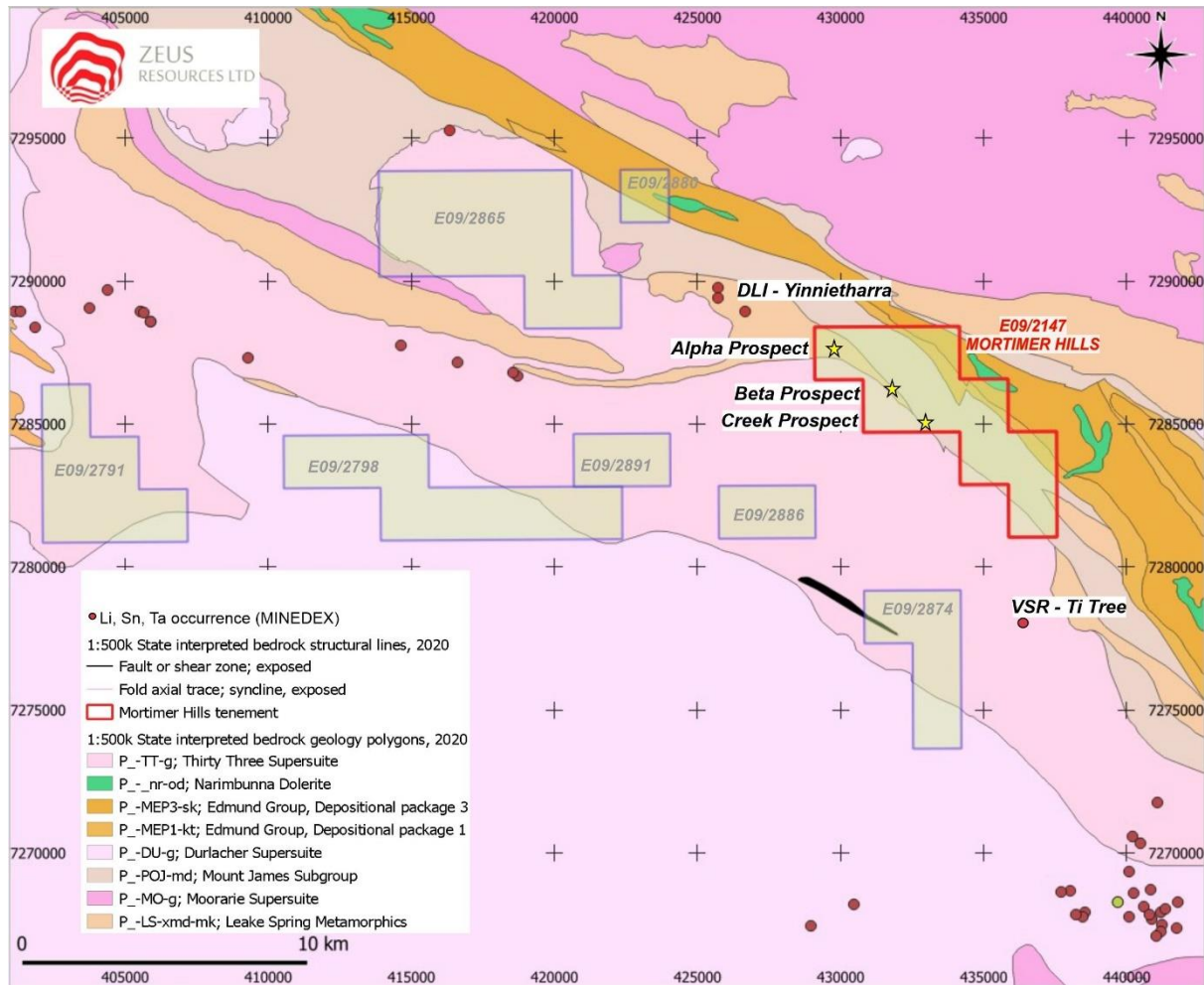


Figure 5: Gascoyne tenement locations (geology after GSWA).

REVIEW OF OPERATIONS

Wiluna Project (E53/1603 & E53/2197)

Geological exploration is continuing at the Wiluna Project, near the township of Wiluna approximately 540 km north of Kalgoorlie. The Zeus project is next to the Lake Way Project (previously owned by Salt Lake Potash Limited (ASX: SO4)) (<https://so4.com.au/projects/lake-way/>) and recently acquired by Czech Investment Company Seven Global Investments.

The Company completed two air core drill holes at the Wiluna Lake Way sulphate of potash (SOP) prospect during September 2022 for a total of 150m. Up to 7m of basal sand aquifer was encountered, with flowing brine sampled from the rig discharge cyclone. The air core rig reached refusal in silcrete whilst still in the basal sand sequence. Seven samples were analysed for K, SO₄, Mg, Na and Cl with drill hole LWP002 returning assay results of up to 3,340 mg/L potassium and 24,000 mg/L sulphate (equivalent to 7.4 kg/m³ SOP). These assay results confirm potassium and sulphate mineralisation in the palaeochannel basal sand up to 8.5 km north of the Salt Lake Potash Ltd (ASX: SO4) Lake Way SOP deposit.

An objection was lodged by a third party in 2021 in relation to application E53/2197. The matter has been heard in the Warden's Court (Meekatharra) on 23 August 2023, and has been adjourned to 18 October 2023.

Further exploration and activities including a detailed gravity survey and drilling are subject to the granting of the E53/2197.

Blue Hill Project (E59/2804 & E59/2806)

The Company applied for two new tenements (E59/2804 and E59/2806) approximately 60 km west of Paynes Find (Figure 6). The tenements cover approximately 75 km² and 15 km² respectively of the Warriedar Fold Belt greenstones and granitic rocks that are highly prospective for lithium and REE bearing pegmatites, gold, and base metals.

E59/2806 application is subject to a ballot to determine the successful applicant.

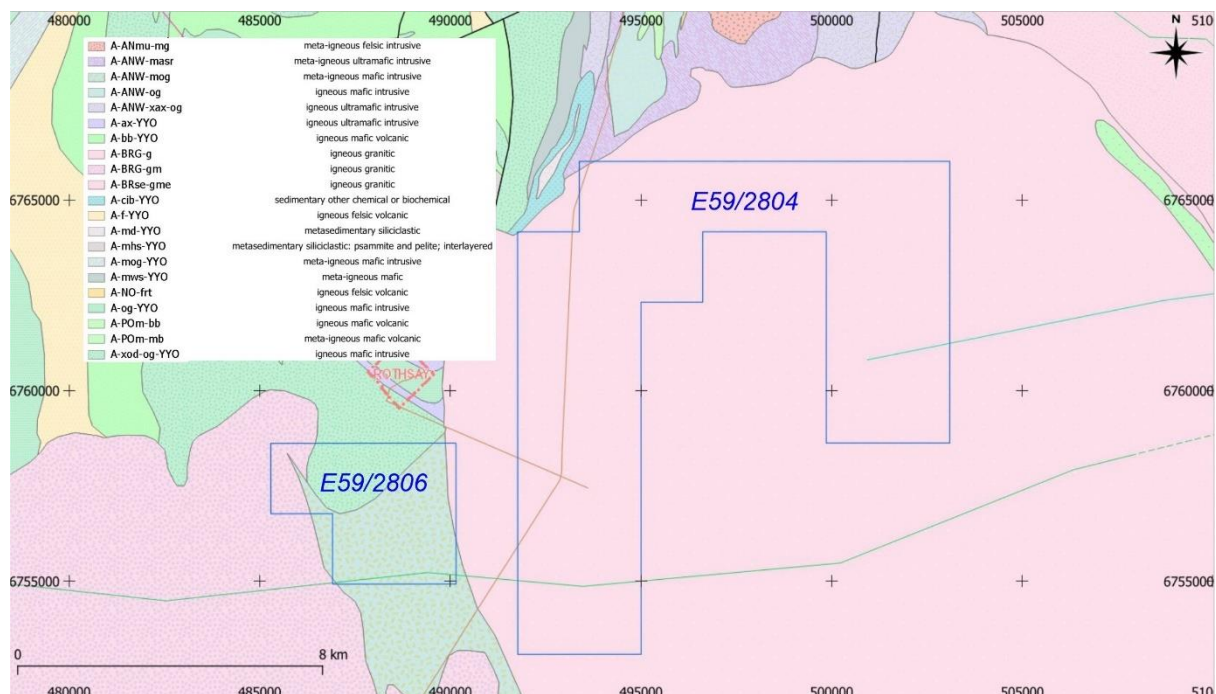


Figure 6: Blue Hill tenement locations (geology after GSWA).

An objection to the application was lodged by a third party in April 2023, and the matter has been listed for Mention Hearing on 23 November 2023 at the Mount Magnet Wardens Court.

REVIEW OF OPERATIONS

Musgrave Project (E69/4147 & E69/4148)

The Company has applied for two Exploration Licences (E69/4147 and E69/4148) in the Musgrave region of Western Australia, approximately 1,000 km northwest of Kalgoorlie and 1,600 km northwest from Perth (Figure 7). The tenements cover approximately 281 km² and 120 km² respectively of the West Musgrave greenstones and granitic rocks that are highly prospective for nickel, gold, REEs and base metals.

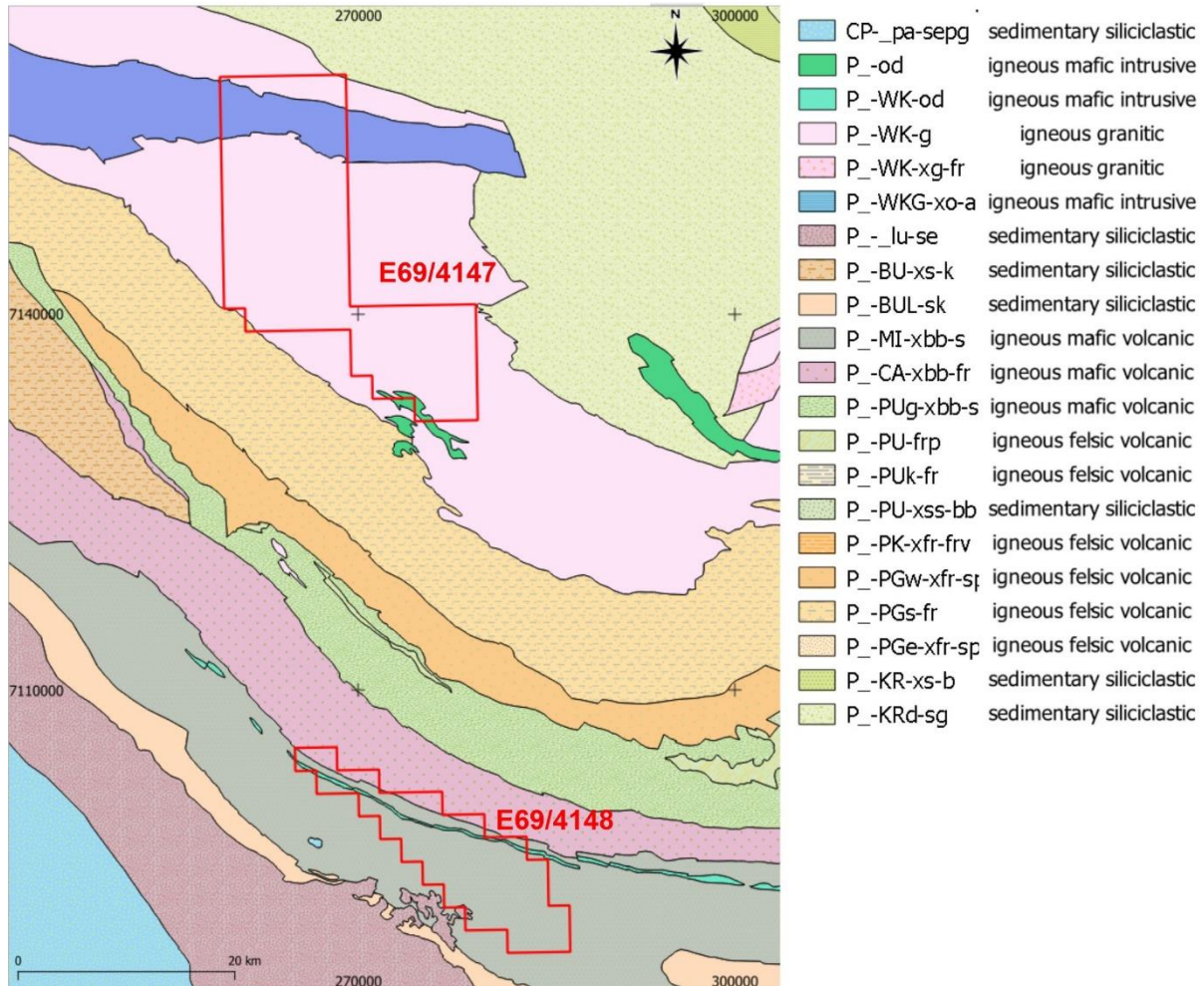


Figure 7: Musgrave tenements (geology after GSWA)

Narnoo Project

The Narnoo Project comprising a single Exploration Licence, E28/2097, was relinquished in May 2023 as the Company will no longer actively explore for uranium.

REVIEW OF OPERATIONS

Appendix 1: Phase 1 and Phase 2 Drilling Summary - Mortimer Hills Project

| Hole ID | East (m) | North (m) | RL (m) | Dip (°) | Azimuth (°) | EOH Depth (m) | Prospect | Phase |
|---------|----------|-----------|--------|---------|-------------|---------------|-----------------|-------|
| MH001 | 431557 | 7286308 | 322 | -60 | 270 | 50 | Beta | 1 |
| MH002 | 431582 | 7286305 | 322 | -60 | 270 | 50 | | 1 |
| MH003 | 431608 | 7286300 | 322 | -60 | 270 | 55 | | 1 |
| MH004 | 431632 | 7286294 | 322 | -60 | 270 | 52 | | 1 |
| MH005 | 431651 | 7286293 | 322 | -60 | 270 | 50 | | 1 |
| MH006 | 431675 | 7286289 | 322 | -60 | 270 | 52 | | 1 |
| MH007 | 431376 | 7286412 | 322 | -60 | 270 | 47 | | 1 |
| MH008 | 431350 | 7286412 | 322 | -60 | 270 | 50 | | 1 |
| MH009 | 431326 | 7286411 | 322 | -60 | 270 | 20 | | 1 |
| MH010 | 431398 | 7286409 | 322 | -60 | 270 | 50 | | 1 |
| MHA001 | 429598 | 7287643 | 335 | -60 | 345 | 49 | Alpha | 1 |
| MHA002 | 429601 | 7287623 | 335 | -60 | 345 | 50 | | 1 |
| MHA003 | 429607 | 7287605 | 335 | -60 | 345 | 60 | | 1 |
| MHA004 | 429610 | 7287583 | 335 | -60 | 345 | 50 | | 1 |
| MHA005 | 429613 | 7287561 | 335 | -60 | 345 | 50 | | 1 |
| MHA006 | 429595 | 7287669 | 335 | -60 | 345 | 50 | | 1 |
| MHA007 | 429549 | 7287630 | 335 | -75 | 180 | 150 | | 2 |
| MHA008 | 429444 | 7287376 | 330 | -75 | 180 | 80 | | 2 |
| MHA009 | 429443 | 7287470 | 330 | -75 | 180 | 128 | | 2 |
| MHA010 | 429443 | 7287423 | 331 | -75 | 180 | 109 | | 2 |
| MHA011 | 429448 | 7287521 | 331 | -75 | 180 | 105 | | 2 |
| MHA012 | 429444 | 7287328 | 332 | -75 | 180 | 112 | | 2 |
| MHA013 | 429449 | 7287574 | 333 | -75 | 180 | 106 | | 2 |
| MHA014 | 429444 | 7287630 | 334 | -75 | 180 | 112 | | 2 |
| MHA015 | 429559 | 7287329 | 335 | -60 | 180 | 106 | | 2 |
| MHC001 | 432251 | 7285215 | 315 | -60 | 88 | 43 | Pegmatite Creek | 1 |
| MHC002 | 432261 | 7285222 | 313 | -50 | 112 | 70 | | 1 |
| MHC003 | 432250 | 7285239 | 315 | -50 | 143 | 30 | | 1 |
| MHC004 | 432255 | 7285210 | 315 | -60 | 150 | 121 | | 2 |
| MHC005 | 432249 | 7285213 | 315 | -60 | 215 | 115 | | 2 |

2,172

REVIEW OF OPERATIONS

Appendix 2: Best pegmatite intersections Phase 2 Drilling - Mortimer Hills Project

| Hole ID | From | To | Length | Dip | Azimuth |
|---------|------|------|--------|------|---------|
| MHA010 | 4 | 20 | 16.0 | -70 | 180 |
| | 34 | 37 | 3.0 | | |
| | 47 | 49 | 2.0 | | |
| | 50 | 52 | 2.0 | | |
| | 60.5 | 70 | 9.5 | | |
| | 71 | 73 | 2.0 | | |
| | 75 | 76 | 1.0 | | |
| | 90 | 91 | 1.0 | | |
| | | | 36.5 | | |
| MHA011 | 10 | 12.5 | 2.5 | -70 | 180 |
| | 24 | 35 | 11.0 | | |
| | 66.5 | 68 | 1.5 | | |
| | 72 | 100 | 28.0 | | |
| | | | 43.0 | | |
| MHA013 | 4 | 10 | 6.0 | -70 | 180 |
| | 55 | 60 | 5.0 | | |
| | 61 | 70 | 9.0 | | |
| | 86 | 90 | 4.0 | | |
| | 94 | 95 | 1.0 | | |
| | | | 25.0 | | |
| MHC004 | 11 | 94 | 83.0 | -60 | 150 |
| | 95 | 103 | 8.0 | | |
| | 104 | 121 | 17.0 | EOH* | |
| | | | 108.0 | | |
| MHC005 | 4 | 34 | 30.0 | -60 | 215 |
| | | | 30.0 | | |

*EOH – End of Hole

1. The Company advises that all the drill intersection widths pertaining to the above intercepts are apparent only. As the orientation of the pegmatites is unknown, the true widths of the pegmatites may be less than these apparent widths.
2. The Company notes that the presence of pegmatite rock does not necessarily indicate the presence of lithium, cesium, tantalum (LCT) mineralisation. Laboratory chemical assays are required to determine the grade of mineralisation.

REVIEW OF OPERATIONS

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|------------------------------|---|--|
| <i>Sampling techniques</i> | <ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> | <ul style="list-style-type: none"> All drilling at Mortimer Hills was Reverse Circulation (RC) used to obtain 1 m samples from which approximately 2 kg was pulverised to produce an aliquot for ICP assay carried out to industry standard. This annual report discusses the completion of two recent drilling programs. No significant anomalous results were obtained in the first phase of drilling and assays are pending for the second phase of drilling so this report does not include grades of samples that have been collected for chemical or physical testing for the second phase drilling. Pegmatites were identified in outcrop and in drill cuttings. |
| <i>Drilling techniques</i> | <ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> | <ul style="list-style-type: none"> All drilling was face-sampling RC. |
| <i>Drill sample recovery</i> | <ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> | <ul style="list-style-type: none"> All the drill cuttings were logged by a geologist to be stored as Excel spreadsheets. Sample recoveries, by visual inspection, were excellent. |
| <i>Logging</i> | <ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> | <ul style="list-style-type: none"> All the drill cuttings were visually quantitatively logged by a site geologist. These logs are stored as Excel spreadsheets. In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of mineral abundance should never be |

REVIEW OF OPERATIONS

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> | <p>considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. Laboratory assay results are required to determine the widths and grade of the visible mineralisation (if reported) in preliminary geological logging. The Company will update the market when laboratory analytical results become available.</p> |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> Samples were split at rig mounted cyclone. The sample size is appropriate for the material being sampled. |
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> | <ul style="list-style-type: none"> Not applicable |
| <i>Verification of sampling and assaying</i> | <ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> Not applicable |
| <i>Location of data points</i> | <ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole</i> | <ul style="list-style-type: none"> The drill collars were recorded using a handheld GPS using GDA94 datum. |

REVIEW OF OPERATIONS

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| | <p><i>surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> | |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> | <ul style="list-style-type: none"> This drilling was reconnaissance only at widely spaced locations. |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> | <ul style="list-style-type: none"> All the drill intersection widths pertaining to the above intercepts are apparent only. As the orientation of the pegmatites is unknown, the true widths of the pegmatites will probably be less than the apparent widths. |
| <i>Sample security</i> | <ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> The samples were delivered to the laboratory by the site geologist for the first phase drilling program and by couriers for the second phase drilling. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> Not applicable |

REVIEW OF OPERATIONS

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> | <ul style="list-style-type: none"> The company currently has a portfolio of fourteen tenements with two of the tenements granted, one in the Mortimer Hills Project and one in the Wiluna Project, and the rest being pending applications. The twelve tenement applications include seven surrounding the existing Mortimer Hills Project, one extending the existing Wiluna Project, two for the new Blue Hill Project and two for the new Musgrave Project. Eight of the tenement applications (E09/2791, E09/2798, E59/2806, E09/2865, E09/2874, E09/2886, E09/2891 and E09/4148) are subject to the ballot. |
| <i>Exploration done by other parties</i> | <ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> Numerous exploration parties have previously held portions of the areas covered by the current Zeus tenure. None of this exploration is recorded as being for pegmatite hosted lithium and REE minerals, the main focus of Zeus on the tenements. No other exploration companies generated data that was used in this release. |
| <i>Geology</i> | <ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> Zeus is focussing on exploring for pegmatites in its various tenements. |
| <i>Drill hole Information</i> | <ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> | <ul style="list-style-type: none"> The Mortimer Hills drill hole data is provided as a table at the end of the announcement. |
| <i>Data aggregation methods</i> | <ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of</i> | <ul style="list-style-type: none"> Not applicable |

REVIEW OF OPERATIONS

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| | <p><i>such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> | <ul style="list-style-type: none"> All the drill intersection widths pertaining to the above intercepts are apparent only. As the orientation of the pegmatites is unknown, the true widths of the pegmatites may be less than the apparent widths. |
| <i>Diagrams</i> | <ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | <ul style="list-style-type: none"> All the appropriate maps are provided in the body of this announcement. |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> | <ul style="list-style-type: none"> This annual report discusses the completion of a recent reconnaissance drilling programs and further planned drilling and does not discuss selected assay results. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | <ul style="list-style-type: none"> All the meaningful exploration data has been included in the body of this report. |
| <i>Further work</i> | <ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> Once the tenement applications have been granted, Zeus intend to carry out detailed mapping and geochemical sampling to locate any pegmatite outcrops. Another RC drilling program is planned to further test mapped pegmatites along the greenstone/granite contact at Mortimer Hills. |

REVIEW OF OPERATIONS

Competent Person Statement:

The information in this announcement that relates to the Exploration Results is based on information compiled by Mr Phil Jones, who is a Member of the Australian Institute of Geologists (AIG) and Australian Institute of Mining and Metallurgy (AusIMM). Mr Jones is an independent geological consultancy. Mr Jones does not nor has had previously, any material interest in Zeus or the mineral properties in which Zeus has an interest. Phil Jones's relationship with Zeus is solely one of professional association between client and independent consultant. Mr Jones has experience in exploration, prospect evaluation, project development, open pit and underground mining and management roles. Mr Jones has worked in a wide variety of commodities including gold, lithium, iron ore, phosphate, copper, lead, zinc, silver, nickel and silica in Australia, China, Kyrgyzstan, Indonesia, New Zealand, Malaysia, Papua New Guinea, and Africa. Mr Jones 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 Jones consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Company for the financial year ended 30 June 2023.

Review of operations

During the past financial year, the Company focused on both geological exploration of current tenements and prospective tenements by making 12 new tenement applications.

During the year, the Company committed to a number of drilling and surveying projects. The drilling occurred in phases on the Mortimer Hill project and also there was drilling program completed at Wiluna Lake Way project.

After the initial Mortimer Hill drone survey the Company has engaged in a program of works with Phase 1 completed in May 2023 and phase 2 completed in July 2023. The project costs were within budget and efficiently executed. The project met with WA government tenement expenditure commitment requirements and environmental and heritage guidelines.

Wiluna Project has been re-positioned as a Muriate of Potash project, and the Company will conduct more exploration activities to test prospectivity of the tenement. The project met with WA government tenement expenditure commitment requirements and environmental and heritage guidelines.

We anticipate that tenement E53/2197 will be granted in the next financial year and will be included in any further exploration program of this area.

Results of Operations

For the year ended 30 June 2023 the Company recorded a loss of \$888,383 (2022: Loss \$437,302). There were impairments made to tenement assets of \$479,510 (2022: nil).

Total exploration expenditure for the year was \$584,722 (2022: \$601,718) of which \$495,278 was capitalised to exploration assets (2022: \$498,825).

For the year ended 30 June 2023 the ASX share price of the Company decreased from opening at \$0.089 per share to close at \$0.034 per share. The Company succeeded in having its listing reinstated on 7th Feb 2023.

Shares Registry

During the year ended 30 June 2023 the Company issued 219,150,000 (Rights Issue) shares at a price of \$0.01 raising \$2,191,500 in cash for the Company (2022: nil). The Company also granted 219,150,000 Rights Issue Options at a price of \$0.02. 18,981,000 options were exercised raising \$379,620 in cash for the Company (2022: \$360,000).

Total number of shares on issue 30 June 2023 was 457,281,000 (2022: 219,150,000). The Company did not make any payments for shares in the Company at a discount or premium to the traded price. (2022: Nil)

Options

During the year ended 30 June 2023 the Company issued 219,150,000 options at a price of \$0.02 with an expiry date of 7 February 2025 (Rights Issue Options). As at the end of the financial year ended 30 June 2023 18,981,000 had been exercised.

As at the date of this report:

- 2,000,000 Rights Issue Options were exercised subsequent to the year-end raising a further \$40,000.
- Total Rights Issue Options granted but not exercised was 198,169,000.

DIRECTORS' REPORT

Significant changes in state of affairs

No significant changes were made to the structure and composition of the Board and management to 30 June 2023.

Principal activities

The principal activity of the Company during the year was the exploration for Lithium, Potash and other metal resources and the assessment of options for investment in multi-commodity mining assets. The Company has implemented changes to its exploration program to meet with the changing legislative environment for mining uranium in Western Australia in the short term (mining uranium remains under a moratorium by the WA Government unless an exemption has been granted). The Company operates as a for profit entity. No change in the principal activity occurred during this period.

Likely developments and expected results of operations

The Company intends to continue its exploration activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

DIRECTORS

The Directors in office as at 30th June 2023:

| Director | Appointment Date | Years Appointed |
|------------------------|------------------|-----------------|
| Mr. Jian Liu | 22 December 2020 | 2 |
| Mr Yicheng Zhang | 28 October 2021 | 1 |
| Mr Colin Robert Mackay | 22 December 2021 | 1 |
| Mr Ding Xu | 4 April 2022 | 1 |
| Mr Sitong Wu | 4 April 2022 | 1 |

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Name: Mr Ding Xu

Title: Non-Executive Chairperson (appointed 4 April 2022)

Qualifications: MA Public Relations Management, Tongji University, China

Mr Xu has extensive experience in strategic mining investment as the Manager of the Department of Strategic Development at China Metallurgical Geology Bureau (CMGB). Mr Xu was previously Chairperson of Guangxi Xubao Mining Investment Co Ltd where he developed and managed various projects such as the multi-million dollar Shuijingshan Mountain Mine. Mr Ding Wu is currently the Vice General Manager of Zhengyuan International Mining Company Ltd.

Other current Directorships: none

Former Directorships (last 3 years): none

Interest in shares: 57,650,000 indirect held jointly with Mr Sitong Wu on behalf of Zhengyuan International Mining Co. Ltd.

Interest in options: none

Contractual rights to shares: none

Special responsibilities: none

Name: Mr Sitong Wu

Title: Executive Director and Acting CEO (appointed 4 April 2022)

Qualifications: BSc Resource Exploration Engineering, Jilin University, China

Mr Sitong Wu holds a Bachelor of Science, with a major in Resource Exploration Engineering, and gained his degree at Jilin University, China.

Mr Wu is an expert at prospecting for minerals. He successfully helped identify several high-value orebodies including copper and gold, for Altay Zhengyuan International Mining Co., Ltd.

Mr Wu is the expert technician in the Department of Geology and Technology in Zhengyuan International Mining Co Ltd (ZIMC), where he has identified and participated in developing several successful mines. He is in charge of evaluating the economic value of different mining projects for ZIMC and Zeus resources Limited.

Other current Directorships: none

Former Directorships (last 3 years): none

Interest in shares: 57,650,000 indirect held jointly with Mr Ding Xu on behalf of Zhengyuan International Mining Co. Ltd.

Interest in options: none

Contractual rights to shares: none

Special responsibilities: none

Name: Mr Colin Mackay

Title: Independent Non-Executive Director (appointed 6 December 2021, resigned 7 July 2023)

Qualifications: MA Economic history from Edinburgh University, Edinburgh, UK

Mr Mackay began his career in Hong Kong as a financial journalist, (SCMP and Asian Wall Street Journal), a commodities trader (Bear Stearns Bank) and a stockbroker (Berisford Cresvale) specialising in resource stocks. During the 1990s, Mr Mackay became Managing Director of Westminster Fund Management GmbH, a German company investing European capital into start-ups and small companies particularly in the mining sector. Mr Mackay has successfully arranged or assisted with vital funding to acquire prospective projects for several ASX-listed companies.

Other current Directorships: none

Former Directorships (last 3 years): none

Interest in shares: 19,600,000

Interest in options: 12,000,000

Contractual rights to shares: none

Special responsibilities: none

DIRECTORS' REPORT

INFORMATION ON DIRECTORS continued.

Name: Mr Yicheng Zhang

Title: Non-Executive Director (appointed 28 October 2021)

Qualifications: BA Business Management and Information Technology, UTS, Sydney, Australia

Mr Zhang gained experience in the mining industry when he worked in Western Australia and successfully facilitated the deal to acquire VDM Group, a mining service provider in trade and construction. As the General Manager of Geolord Investment Group, the family enterprise, Mr Zhang has invested in and developed multiple large property projects in Sydney, Auckland, and Christchurch. Meanwhile, as the General Manager of Chonwin International business department, he is in charge of all business development and investment for the group in Australia, New Zealand, and PNG.

Other current Directorships: Geolord Investment Group, Chonwin International NZ Ltd.

Former Directorships (last 3 years): none

Interest in shares: 57,534,500 on behalf of Vast Honour Global Ltd

Interest in options: none

Contractual rights to shares: none

Special responsibilities: none

Name: Mr Jian Liu

Title: Executive Director and Company Secretary (appointed 22 December 2022) (Company Secretary appointed 13 September 2021)

Qualifications: BSc Geology Ocean University, China. MSC Science and Project Management, Lancaster University, Lancaster, UK

Mr Liu has a Bachelor of Science in Geology from the Ocean University of China and a Master of Science in Project Management from Lancaster University, UK.

Mr Liu has been involved in exploration and development projects in China, Australia, Africa, and Southeast Asia for over 10 years. Before joining Zeus, Mr Liu worked as Managing Director for Zhonghe Resources (Namibia) Development Pty Ltd, a subsidiary of China National Nuclear Corporation (CNNC). CNNC is one of the largest Uranium miners in the world. Mr Liu directed the uranium exploration programme in Namibia and discovered 12-million-pound uranium resources adjacent to Rossing mine of CNNC (previously owned by Rio Tinto).

Other current Directorships: none

Former Directorships (last 3 years): none

Interest in shares: 200,000

Interest in options: none

Contractual rights to shares: none

Special responsibilities: none

DIRECTORS' REPORT

Environmental Regulations

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

The Company is aware of its responsibility to have as little impact as possible on the environment and, if/when there is any disturbance, to rehabilitate disturbed sites. During the period under review, there was field and exploration work conducted in Western Australia with subsequent rehabilitation of the site completed. When the Company does complete field and exploration work, the work follows procedures and pursues 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 Company supports this approach and is confident that it properly monitors and adheres to these objectives and any local conditions applicable.

During the financial year ended 30 June 2023 there have been no known material breaches of the environmental obligations of the Company's contracts or licenses (2022: None).

Dividends

No dividends have been declared in respect of the year ended 30 June 2023 (2022: Nil)

Events subsequent to the end of the reporting period:

Mr Colin MacKay, Non-executive director, resigned from his position on 7th July 2023. Mr MacKay is yet to be replaced.

The Directors are not aware of any other 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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' interest

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

| | Shares | | Total | Options |
|---|-------------------|--------------------|--------------------|-------------------|
| | Direct | Indirect | | |
| Mr Sitong Wu ¹ Mr Ding Xu ² | - | 57,650,000 | 57,650,000 | - |
| Mr Yicheng Zhang ³ | - | 57,534,500 | 57,534,500 | - |
| Mr Colin McKay ⁴ | 19,600,000 | - | 19,600,000 | 12,000,000 |
| Mr Jian Liu | 200,000 | - | 200,000 | - |
| Total | 19,800,000 | 115,184,500 | 134,984,500 | 12,000,000 |

¹ Mr Sitong Wu is a Director of Zhengyuan International Mining Company Ltd, which holds the relevant interest in Zeus Resources. Shares held jointly with Mr Ding Xu.

² Mr Ding Xu is a nominee Director appointed to Zhengyuan International Mining Company Ltd and has power and control to exercise the voting rights attached to the securities in Zeus Resources. Shares held jointly with Mr Sitong Wu.

³ Mr Yicheng Zhang is a Director of and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus Resources.

⁴ Mr Colin McKay Rights Issue Options expire 7 February 2025

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for key management personnel (KMP) of the Company which includes Directors and senior executives. KMP are those individuals that have the authority and responsibility for planning, directing and controlling the activities of the Company.

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company 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 are to receive remuneration based on factors such as length of service and experience.

The Board reviews executive packages annually by reference to the Company'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 entity's strategic objectives.

The remuneration framework the Board established has three components:

- Fixed remuneration consisting of base pay and benefits, including superannuation,
- Short-term performance incentives and bonuses and
- Long-term incentives through issuances of share options.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the entity and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits), where it does not create any additional costs to the entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved. KPIs include increasing shareholders' value, completion of target projects, management of tenements and overall management of the operations of Company.

The long-term incentives ('LTI') program is comprised of share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the entity's direct competitors.

At issue date of this report there are no Key Management personnel that have received "STI" or "LTI" benefits.

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. Board members are appointed at the General Meeting at which they nominated. Board members do not receive a specific service engagement contract. Executives are engaged using a service agreement contract which will specify annual targets and KPIs.

DIRECTORS' REPORT

Remuneration Policy continued

The Board does not currently link KMP or Director's remuneration to specific market-based goals or targets due to the stage of development of the Company's projects or overall Company performance. Individual performance-based goals are set by the Company to ensure that exploration, project evaluation and administration tasks are performed efficiently and to the benefit of stakeholders.

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. The maximum aggregate amount for the financial year ending 30 June 2023 was \$5,000, with \$5,000 per annum to be paid to Mr Jian Liu. The other members of the Board have adopted a policy decision made by the Board not to receive remuneration during the financial year ended 30 June 2023. A review of the Board remuneration was not undertaken during the financial year end 2023, except for the remuneration to Mr Jian Liu.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, held 15th November 2022, adoption of the remuneration report for the year ended 30 June 2022 was approved by the shareholders. Results of the meeting are tabled below:

| Resolution details | | Resolution Result | If s250U applies |
|---|-----------------|-----------------------|------------------|
| Resolution | Resolution Type | Carried / Not Carried | |
| 1. Adoption of the Remuneration Report (non-binding resolution) | Ordinary | Carried | No |
| 2. Re-Election of Director - Mr Jian Liu | Ordinary | Carried | NA |
| 3. Re-Election of Director - Mr Yicheng Zhang | Ordinary | Carried | NA |
| 4. Re-Election of Director - Mr Sitong Wu | Ordinary | Carried | NA |
| 5. Re-Election of Director - Mr Ding Xu | Ordinary | Carried | NA |

Additional Benefits

There are no additional benefits provided to Key Management Personnel as at the date of issue of this report.

DIRECTORS' REPORT

Key Management Personnel (KMP) Payments & Benefits

Your Directors, Company Secretary and key management personnel received the following payments/benefits for services for the year ended 30 June 2023 as indicated below:

| Senior Officers | | Short-term benefits | | | | Long-term benefits | Share option benefits | Total |
|---|------|----------------------|---------|----------------|----------------------|--------------------|-----------------------|---------|
| | | Cash Salary and Fees | Bonuses | Superannuation | Termination payments | Long service leave | Options | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Mr Jonathan Higgins | | | | | | | | |
| (Exploration Manager) | | | | | | | | |
| | 2022 | 57,834 | - | - | - | - | - | 57,834 |
| | 2023 | 10,375 | - | - | - | - | - | 10,375 |
| Andrew Rust | | | | | | | | |
| (Exploration Manager) | | | | | | | | |
| | 2022 | 3,160 | - | - | - | - | - | 3,160 |
| | 2023 | 8,560 | - | - | - | - | - | 8,560 |
| Phil Jones | | | | | | | | |
| (Geologist) | | | | | | | | |
| | 2022 | - | - | - | - | - | - | - |
| | 2023 | 55,163 | - | - | - | - | - | 55,163 |
| Total 2022 | | 60,994 | - | - | - | - | - | 60,994 |
| Total 2023 | | 74,098 | - | - | - | - | - | 74,098 |
| Non-Executive Directors and Executive Directors | | Short-term benefits | | | | Long-term benefits | Share option benefits | Total |
| | | Cash Salary and Fees | Bonuses | Superannuation | Termination payments | Long service leave | Options | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gregory Clifton Hall ¹ | | | | | | | | |
| (Non-Executive Director) | | | | | | | | |
| | 2022 | 6,250 | - | - | - | - | - | 6,250 |
| | 2023 | - | - | - | - | - | - | - |
| Mr Jian Liu ² | | | | | | | | |
| (Executive Director and Company Secretary) | | | | | | | | |
| | 2022 | 203,620 | - | 19,002 | - | 29,268 | - | 251,890 |
| | 2023 | 217,022 | - | 21,002 | - | 32,267 | - | 270,291 |
| Total 2022 | | 209,870 | - | 19,002 | - | 29,268 | - | 258,140 |
| Total 2023 | | 217,022 | - | 21,002 | - | 32,267 | - | 270,291 |

¹ Mr Hall issued invoices from Golden Phoenix International Pty Ltd ATF Golden Phoenix International Unit Trust until Mr Hall's resignation in December 2021. Amounts shown are ex-GST.

² Mr Jian Liu's Salary, Long Service Leave entitlement and superannuation payments are paid as employee of the Company. For Director fees and Company Secretarial fees payments are made to Mr Liu as a Sole Trader. Amounts shown are ex-GST.

The total of remuneration paid to the KMP of the Company during the year are as follows:

| | Year Ended 30-Jun-2023 | Year Ended 30-Jun-2022 |
|-----------------------------------|---------------------------|---------------------------|
| | \$ | \$ |
| Short-term employee benefits/Fees | 312,122 | 289,866 |
| Long-term employee benefits/Fees | 32,267 | 29,268 |
| Total KMP compensations | 344,389 | 319,134 |

Remuneration and Earnings additional information

DIRECTORS' REPORT

The Board does not currently link KMP or Director's remuneration to specific market-based goals or targets due to the stage of development of the Company's projects or over-all Company performance.

However, to conserve cash the Company has reduced payments to Key Management Personnel (KMP) over the preceding five-year period. The Board did not review the remuneration of the CEO during the financial year for the role performed by Mr Sitong Wu. The Company has not awarded any short-term or long-term incentives to KMP as of the date of this report or over the preceding five-year period. The reduction of fixed remuneration payments made to KMP, instigated by the Board, is indicated by the table below:

Key Management Payments & Benefits and Company Results

| KMP | 30-Jun-23 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 |
|---|-----------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Mr Ding Xu | - | - | - | - | - |
| Mr Sitong Wu | - | - | - | - | - |
| Mr Yicheng Zhang | - | - | - | - | - |
| Mr Colin Mackay | - | - | - | - | - |
| Mr Jonathan Higgins | 10,375 | 57,834 | - | - | - |
| Mr Gregory Clifton Hall - Non-Executive Director | - | 6,250 | 15,000 | 15,000 | 15,000 |
| Mr Andrew Rust - Exploration Manager | 8,560 | 3,160 | 3,280 | 4,250 | 3,560 |
| Mr Phil Jones - Geologist | 55,163 | - | - | - | - |
| Mr Jian Liu ¹ – Executive Director and General Manager Geology and Exploration | 270,291 | 251,890 | 99,244 | - | - |
| Total | 344,389 | 319,134 | 117,524 | 19,250 | 18,560 |

Additional Information

The earnings of the Company for the five years to 30 June 2023 are as follows:

| Earnings of the Company | 30-Jun-23 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Interest Income | 13,138 | 850 | 2,843 | 15,866 | 36,572 |
| EBITDA | (405,633) | (410,150) | (198,379) | (812,720) | (257,214) |
| EBIT | (888,383) | (436,930) | (241,214) | (833,161) | (257,214) |
| Loss after income tax | (888,383) | (437,302) | (243,359) | (834,620) | (261,510) |

The factors that are considered to affect total shareholders' returns are as follows:

| Factor | 30-Jun-23 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 |
|---|-----------|------------------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Share Price at financial year end (cents) | 3.4 | 8.9 ² | 9.9 | 0.8 | 0.8 |
| Total Dividends Declared (cents) | - | - | - | - | - |
| Basic Earnings per share (cents) | (0.29) | (0.20) | (0.13) | (0.46) | (0.15) |
| Diluted Earnings per share (cents) | (0.29) | (0.20) | (0.13) | (0.46) | (0.15) |

¹ Includes Mr Jian Liu's salary and benefits as an employee of the Company in his role of General Manager Geology and Exploration

² Last traded price on 3rd September 2021 before involuntary suspension from listing by the ASX.

DIRECTORS' REPORT

Key Management Personnel Interests as at 30 June 2023:

The number of ordinary shares held by KMP with current roles in the Company at the end of the reporting period is as follows:

| Name | Shares held | | Balance at start of Year | Received as part of Remuneration | Additions | Disposals | Balance at end of Year |
|-------------------------------|-------------|-------------|--------------------------|----------------------------------|------------|-----------|------------------------|
| | Direct | Indirect | | | | | |
| Mr Ding Xu | | | | | | | |
| & Mr Sitong Wu ^{1,2} | - | 57,650,000 | 57,650,000 | - | - | - | 57,650,000 |
| Mr Yicheng Zhang ³ | - | 57,534,500 | 57,534,500 | - | - | - | 57,534,500 |
| Mr Colin Mackay | 19,600,000 | - | 6,937,145 | - | 12,662,855 | - | 19,600,000 |
| Mr Jian Liu | 200,000 | - | - | - | 200,000 | - | 200,000 |
| Total | 19,800,000 | 115,184,500 | 122,121,645 | | 12,862,855 | - | 134,984,500 |

1. Mr Ding Xu holds shares as a nominee Director appointed by Zhengyuan International Mining Company and has power to exercise or control the voting rights attached to the securities in Zeus – shares are held jointly with Mr Jiangang Zhao.
2. Mr Sitong Wu holds shares as a nominee Director appointed by Zhengyuan International Mining Company Ltd and has power to exercise or control the voting rights attached to the securities in Zeus – shares are held jointly with Dr Dongfeng Zhang.
3. Mr Yicheng Zhang is a Director of and controls Vast Honour Global Limited, which holds a direct relevant interest in Zeus.

The number of options held by KMP with current roles in the Company at the end of the reporting period is as follows:

| Name | Balance at start of Year | Granted | Additions | Exercised | Expired/Forfeited /other | Balance at end of Year |
|-----------------|--------------------------|------------|-----------|-----------|--------------------------|------------------------|
| Mr Colin Mackay | 1,411,112 | 11,537,145 | 462,855 | - | 1,411,112 | 12,000,000 |
| Total | 1,411,112 | 11,537,145 | 462,855 | - | 1,411,112 | 12,000,000 |

Other transactions with key management personnel and their related parties:

During the financial year, Mr Jian Liu was paid \$5,000 in relation to Director's fees (2022: \$5,000) and \$12,000 for Company Secretarial fees (2022: \$8,600). As at 30 June 2023 there was nil payable to Mr Jian Liu for the aforementioned fees (2022: nil).

During the financial year no payments were made to Golden Phoenix International Unit Trust (2022: \$6,250) in relation to the Director's fees or any other fees of former Director, Mr Greg Hall. As at 30 June 2023 there was nil payable and due to Golden Phoenix International Unit Trust for the aforementioned fees (2022: nil).

This is the end of the audited remuneration report.

DIRECTORS' REPORT

Directors' meetings

The number of Directors' meetings of Zeus Resources Limited (including by way of circular resolution) held during the year ended the 30 June 2023 and the numbers of meetings attended by each Director are as follows:

| Director | Directors' Meetings | |
|------------------------|---------------------|----------|
| | Eligible to attend | Attended |
| Mr Jian Liu | 3 | 3 |
| Mr Yicheng Zhang | 3 | 1 |
| Mr Colin Robert Mackay | 3 | 2 |
| Mr Ding Xu | 3 | 2 |
| Mr Sitong Wu | 3 | 3 |

Indemnity and insurance of officers

During the financial period, the Company did not insure all Directors and officers of the Company due to the cost of the policy.

Indemnity and insurance of auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Non-audit services

Our appointed auditors, William Buck, provided non-audit services during the year ended 30 June 2023 associated with the 7th December Capital Raise amounting to \$7,500 (ex-GST) (2022: Nil).

Proceedings on behalf of The Company

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

DIRECTORS' REPORT

Auditor independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2023 has been received by the Company and can be found on page 36 of this annual report.

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

A handwritten signature in black ink, appearing to be '吴思同' (Wu Sitong), written in a cursive style.

Mr. Sitong Wu
Executive Director and Acting CEO

Dated this 11th day of September, 2023

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 2023 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.

Yours faithfully



William Buck
Accountants & Advisors
ABN: 16 021 300 521



Rainer Ahrens
Partner
Sydney, 11 September 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | Year ended 30-Jun-23 | Year ended 30-Jun-22 |
|--|-------|-------------------------|-------------------------|
| | | \$ | \$ |
| Interest Income | | 13,139 | 850 |
| Less expenses: | | | |
| Corporate and administration costs | | | |
| Accounting and audit fees | | 92,701 | 71,170 |
| Board of Directors Fees and Meeting Expenses | | 38,457 | 39,197 |
| Company secretarial and compliance | | 41,051 | 44,355 |
| Computers and communications | | 5,959 | 8,267 |
| Employee salaries and benefits | | (3,574) | 7,188 |
| Insurance | | 2,570 | 2,534 |
| Legal and consultants' fees | | 8,248 | 38,861 |
| Rent and utilities | | 25,570 | 13,073 |
| Share registry maintenance and listing fees | | 38,069 | 30,487 |
| Exploration and evaluation costs | | | |
| Project expenditure (net of capitalised expenditure) | | 89,444 | 102,893 |
| Impairment of projects | | 479,510 | - |
| Business development | | | |
| Salaries and benefits | | 75,164 | 44,000 |
| Travel and accommodation | | 364 | 2,585 |
| Other expenses from ordinary activities | | | |
| Depreciation | 6 | 3,241 | 26,781 |
| Finance costs | | - | 371 |
| Other expenses | | 4,748 | 6,390 |
| Total Expenses | | 901,522 | 438,152 |
| Loss before income tax | | (888,383) | (437,302) |
| Income tax expense | 2 | - | - |
| Loss for the year attributable to the Company | | (888,383) | (437,302) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the year attributable to the Company | | (888,383) | (437,302) |
| Loss per share | | | |
| Basic - \$ per share | | (0.0029) | (0.0020) |
| Diluted - \$ per share | | (0.0029) | (0.0020) |

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | Notes | As at 30-Jun-23 | As at 30-Jun-22 |
|-----------------------------------|-------|--------------------|--------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 2,346,863 | 976,127 |
| Other assets | 4 | 10,333 | 6,063 |
| TOTAL CURRENT ASSETS | | 2,357,196 | 982,190 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation assets | 5 | 966,301 | 950,533 |
| Property, plant and equipment | 6 | 2,165 | 4,316 |
| TOTAL NON-CURRENT ASSETS | | 968,466 | 954,849 |
| TOTAL ASSETS | | 3,325,662 | 1,937,039 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 177,370 | 120,916 |
| TOTAL CURRENT LIABILITIES | | 177,370 | 120,916 |
| TOTAL LIABILITIES | | 177,370 | 120,916 |
| NET ASSETS | | 3,148,292 | 1,816,123 |
| EQUITY | | | |
| Contributed equity | 8 | 20,716,771 | 18,496,219 |
| Accumulated losses | 9 | (17,568,479) | (16,680,096) |
| TOTAL EQUITY | | 3,148,292 | 1,816,123 |

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

| | Contributed Equity | Accumulated Losses | Total |
|---|-----------------------|-----------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2021 | 18,136,219 | (16,242,794) | 1,893,425 |
| Options exercised 13 Aug 2021 | 360,000 | - | 360,000 |
| Comprehensive loss for the year | - | (437,302) | (437,302) |
| Balance at 30 June 2022 | <u>18,496,219</u> | <u>(16,680,096)</u> | <u>1,816,123</u> |
| Balance at 1 July 2022 | 18,496,219 | (16,680,096) | 1,816,123 |
| Rights issue 7 Dec 2022 (Net of costs) | 1,840,932 | - | 1,840,932 |
| Options exercised Rights Issue 7 Dec 2022 Offer | 379,620 | - | 379,620 |
| Comprehensive loss for the year | - | (888,383) | (888,383) |
| Balance at 30 June 2023 | <u>20,716,771</u> | <u>(17,568,479)</u> | <u>3,148,292</u> |

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | Year ended 30-Jun-23 | Year ended 30-Jun-22 |
|---|-------|-------------------------|-------------------------|
| | | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers and employees | | (288,833) | (276,343) |
| Receipts for taxes | | - | 186 |
| Interest received | | 12,489 | 848 |
| Interest paid | | - | (371) |
| Net cash used in Operating Activities | 10 | (276,344) | (275,680) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payments for exploration and evaluation – capitalized | | (495,278) | (498,825) |
| Payments for exploration and evaluation – expenses | | (77,104) | (102,893) |
| Payments for plant and equipment | | (1,090) | (1,381) |
| Net cash used in Investing Activities | | (573,472) | (603,099) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Share Issue 7 Dec 2022 (Net of transaction costs) | | 1,840,932 | - |
| Rights Issue Options exercised Offer 7 Dec 2022 | | 379,620 | 360,000 |
| Payments for lease | | - | (23,979) |
| Net cash provided by financing activities | | 2,220,552 | 336,021 |
| Net decrease in cash and cash equivalents held | | 1,370,736 | 542,758 |
| Cash at beginning of financial year | | 976,127 | 1,518,885 |
| Cash and Cash Equivalents at end of financial year | | 2,346,863 | 976,127 |

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Board has approved these financial statements on the date of signing.

The principal activity of the Company during the year was the exploration for uranium and other base metals. The Company operates as a for-profit entity.

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 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 of certain critical accounting estimates. The Company also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed later. See part G.

(iv) *Foreign currency transactions and balances:*

Items included in the financial statements are measured using Australian Dollars (functional currency of Zeus Resources Ltd).

Changes in Accounting Policies

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that were relevant to the Company's operations and effective for the current year.

B. 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 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 used.

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

NOTES TO THE FINANCIAL STATEMENTS

C. 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 Company 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.

D. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of time value of money is material, provisions are discounted at a rate that reflects the risks specific to the liability.

E. Goods and Services Tax (GST)

Income, 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.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows. Cash flows are presented in the statement of cash flows on a gross basis.

F. Exploration and evaluation expenditure policy

Exploration and evaluation expenditure comprise of costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- 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 include 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 reasonable level of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Company. 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 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 costs of disposal method.

G. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, income and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to use those temporary differences and losses.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

H. Income 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

Net gains on disposal of assets is recognised as at the date the control of the asset passes from the Company.

I. 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.

J. 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 Company 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.

Property, plant and equipment continued:

(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
- Plant and equipment other than computers – five years
- Plant and equipment – computers – three years
- Furniture & fittings – ten years
- Leasehold Improvements – term of lease.

K. Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net loss after income tax attributable to members of the Company, 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 consider the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and share options and the weighted average number of shares and share options assumed to have been issued for no consideration in relation to dilutive potential ordinary shares and share options.

L. Impairment of Non-Financial Assets

At the end of each reporting period, the Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

M. Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date, when it arises, will be recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees.

N. Farm-out arrangements

The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received from a farmee is credited directly against previously capitalised purchase values in relation to the whole interest previously and with any excess account for by the farmor as a gain on disposal.

O. Right-of-use Assets

Initial Measurement - A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. .

Subsequent Measurement - A right-of-use asset is subsequently measured at cost less any accumulated depreciation and adjusted for any remeasurement of the corresponding lease liability. *Depreciation*. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the asset. The estimated useful lives are as follows:

- Equipment Leases: Term of Lease
- Premises Leases: Term of Lease

P. Lease Liabilities

Initial Measurement - A lease liability is initially recognised at the commencement day and measured at an amount equal to the present value of the lease payments during the lease term that are not yet paid. The provision for any restoration costs or make good is recognised as a separate liability.

Subsequent Measurement - A Lease liability is subsequently measured at initial measurement less any subsequent lease payments and adjusted for any remeasurement of the corresponding right-of-use asset.

Payments: - lease payments are classified consistently with payments on other financial liabilities:

- The part of the lease payment that represents cash payments for the principal portion of the lease liability is presented as a cash flow resulting from financing activities.
- The part of the lease payment that represents interest portion of the lease liability is presented as an operating cash flow.

The duration of the lease liability shall be equivalent to the term of the lease at initial recognition.

Q. Accounting Standards and Interpretations for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Company is that these do not have a material impact on the financial statements.

R. Going Concern

For the financial year ended 30 June 2023 the Company recorded a loss of \$888,383 (2022: \$437,302), net cash outflows from operating activities amounted to \$276,344 (2022: \$275,680) and the Company maintained net assets of \$3,148,292 (2022: \$1,816,123) mainly represented by cash and tenement assets. Since listing the Company is yet to report profitable operations.

The Board of Directors note the successful raising of \$1,840,932 net of transactions costs, via a share placement in early December 2022, followed by an issue of listed share options some of which were subsequently exercised by 30th June 2023 yielding an additional capital inflow of net \$379,620; increasing the net asset position by \$2,220,552 and providing the Company with the ability of to continue its exploration activities.

The financial statements have been prepared on the basis that the Company is a going concern which predicates ongoing normal business activity, realisation of assets and settlement of liabilities in the normal course of business over the next 12 months' period as a result of the Board of Directors having:

- prepared detailed cash flow forecasts to assess and control the Company's ability to incur costs and subsequently settle and pay debts as and when they fall due,
- closely monitoring the ongoing exploration of its tenements and having the ability to fully control related cash outflows and operational activities.

This financial report does not include any adjustments relating to the recoverability and the classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 2: INCOME TAX EXPENSE | | |
|---|------------------|------------------|
| | 30-Jun-23 | 30-Jun-22 |
| | \$ | \$ |
| (a) Income Tax Benefit/(Expense) | | |
| Current Income Tax | - | - |
| Current Income tax benefit/(expense) | - | - |
| (b) Deferred income tax | | |
| Deferred tax assets not brought to account (gross) | 3,765,474 | 4,817,218 |
| Tax losses for the year not recognised | 236,197 | 107,453 |
| Tax losses (foregone)/prior year not recognised | 118,676 | (1,159,197) |
| Temporary differences | - | - |
| Total deferred tax assets not brought to account | <u>4,120,347</u> | <u>3,765,474</u> |
| (c) Amounts Charged or Credited Directly to Equity | | |
| Share Issue Costs | 21,134 | - |
| Share based payments expense | - | - |
| Total deferred tax assets Charged or Credited Directly to Equity | <u>21,134</u> | <u>-</u> |
| (d) Numerical Reconciliation of Income Tax Benefit to Prima facie | | |
| Tax Payable | | |
| Loss Before Income Tax | (888,383) | (437,302) |
| Prima facie income tax credit on loss at 25% | 222,096 | 109,326 |
| Tax effect of: | | |
| Non-allowable expenditure for tax purposes | (810) | - |
| Net Project expenses | 4,192 | - |
| Provisions and prepayments brought to account | (10,415) | (5,478) |
| Share issue costs | 21,134 | 3,605 |
| Current year tax losses not brought to account | <u>236,197</u> | <u>107,453</u> |

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 Company can use the benefits. The benefit of these tax losses will only be obtained if:

- The Company continues to comply with the conditions for deductibility imposed by tax legislation;
- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- No changes in tax legislation adversely affects the Company realising the benefit from the deductions for the losses.

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 3: CASH AND CASH EQUIVALENTS | | |
|-----------------------------------|------------------|----------------|
| | 30-Jun-2023 | 30-Jun-2022 |
| | \$ | \$ |
| Cash Transaction Account | 917,049 | 186 |
| Cash Management Account | 1,149,823 | 202,276 |
| Term deposits 30-90 days | 279,991 | 773,665 |
| Total | 2,346,863 | 976,127 |

| NOTE 4: OTHER ASSETS | | |
|---------------------------|---------------|--------------|
| | 30-Jun-2023 | 30-Jun-2022 |
| | \$ | \$ |
| Current | | |
| Bond paid for lease | 6,000 | 6,000 |
| Interest receivable | 713 | 63 |
| Trade Debtors | 3,620 | - |
| Total Other assets | 10,333 | 6,063 |

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 5: EXPLORATION AND EVALUATION ASSETS – NON-CURRENT | 30-Jun-2023 | 30-Jun-2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Area of Interest: | | |
| Wiluna (Lakes Way) | | |
| Opening Balance | 220,256 | 131,348 |
| Capitalised Costs | 225,627 | 88,908 |
| Impairment | - | - |
| Closing Balance | 445,883 | 220,256 |
| Gascoyne (Mortimer Hills) | | |
| Opening Balance | 504,749 | 134,550 |
| Capitalised Costs | 235,329 | 370,199 |
| Impairment | (219,660) | - |
| Closing Balance | 520,418 | 504,749 |
| Narnoo (North and South) | | |
| Opening Balance | 225,528 | 185,811 |
| Capitalised Costs | 34,322 | 39,717 |
| Impairment | (259,850) | - |
| Closing Balance | - | 225,528 |
| Total Exploration and Evaluation Assets | 966,301 | 950,533 |

Valuation

The value of the Company's interest in exploration expenditures is dependent upon:

- the continuance of the Company'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 Company'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. As of the date of this Annual Report it was not possible to quantify whether such claims exist, or the quantum of such claims.

Impairment Losses

There were impairment losses recognised for the year of \$479,510 against tenements that the Company holds (2022: nil). The list of tenements in which the Company has an interest is disclosed on page 64.

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 6: PLANT, EQUIPMENT, FURNITURE & FITTINGS | 30-Jun-23 | 30-Jun-22 |
|--|-----------|-----------|
| | \$ | \$ |
| Plant & Equipment – at cost | 57,571 | 56,481 |
| Accumulated depreciation | (55,406) | (52,650) |
| Total Plant and Equipment | 2,165 | 3,831 |
| Movements during the year: | | |
| Opening Balance | 56,481 | 55,100 |
| Additions during the year | 1,090 | 1,381 |
| Disposals during the year | - | - |
| Closing Balance | 57,571 | 56,481 |
| Depreciation | | |
| Opening balance | (52,650) | (49,790) |
| Charge during the year | (2,756) | (2,860) |
| Charge Back during the year | - | - |
| Closing depreciation | (55,406) | (52,650) |
| Net book value | 2,165 | 3,831 |
| Furniture & Fittings – at cost | 15,821 | 15,821 |
| Accumulated depreciation | (15,821) | (15,336) |
| Total Furniture and Fittings | - | 485 |
| Movements during the year: | | |
| Opening Balance | 15,821 | 15,821 |
| Disposals during the year | - | - |
| Closing Balance | 15,821 | 15,821 |
| Depreciation | | |
| Opening balance | (15,336) | (13,821) |
| Charge during the year | (485) | (1,515) |
| Closing depreciation | (15,821) | (15,336) |
| Net Book Value | - | 485 |
| Total Net Book Value | 2,165 | 4,316 |

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 7: TRADE AND OTHER PAYABLES | 30-Jun-2023 | 30-Jun-2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Trade creditors | 36,429 | 21,634 |
| Other payables | | |
| - Audit, ASIC and tax reporting fees | 28,250 | 13,000 |
| - Legal expenses | 5,142 | - |
| - Annual and long service leave accruals | 69,673 | 75,619 |
| - Board, company secretarial and meeting expenses | 37,876 | 10,663 |
| Total trade and other payables | <u>177,370</u> | <u>120,916</u> |

NOTE 8: CONTRIBUTED EQUITY

2023

| | |
|--|------------------------|
| (a) Ordinary Shares Number | Number on Issue |
| Balance at the beginning of the year | 219,150,000 |
| Shares issued during the year | <u>238,131,000</u> |
| Balance at the end of the financial year | 457,281,000 |
| (b) Ordinary Shares Value | Value (\$) |
| Balance at the beginning of the year | 18,496,219 |
| Shares issued during the year | 2,571,120 |
| Share issue costs | <u>(350,568)</u> |
| Balance at the end of the financial year | 20,716,771 |

2022

| | |
|--|------------------------|
| (a) Ordinary Shares Number | Number on Issue |
| Balance at the beginning of the year | 207,150,000 |
| Shares issued during the year | <u>12,000,000</u> |
| Balance at the end of the financial year | 219,150,000 |
| (b) Ordinary Shares Value | Value (\$) |
| Balance at the beginning of the year | 18,136,219 |
| Shares issued during the year | 360,000 |
| Share issue costs | <u>-</u> |
| Balance at the end of the financial year | 18,496,219 |

Ordinary Shares entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares have no par value and the Company does not have a limited amount of authorized Capital.

NOTES TO THE FINANCIAL STATEMENTS

| NOTE 9: ACCUMULATED LOSSES | 30-Jun-2023 | 30-Jun-2022 |
|---|--------------|--------------|
| | \$ | \$ |
| Accumulated losses at the beginning of the financial year | (16,680,096) | (16,242,794) |
| Net loss attributable to members of the entity | (888,383) | (437,302) |
| Accumulated losses at the end of the financial year | (17,568,479) | (16,680,096) |

| NOTE 10: STATEMENT OF CASH FLOW INFORMATION | 30-Jun-2023 | 30-Jun-2022 |
|---|-------------|-------------|
| | \$ | \$ |
| Loss from ordinary activities after income tax | (888,383) | (437,302) |
| Add: Adjustment for non-cash or non-operating items | | |
| - depreciation and impairment | 482,751 | 26,781 |
| - Investing items and interest | 77,104 | 136,940 |
| | 559,855 | 163,721 |
| Add: Changes in working capital | | |
| (Increase)/Decrease in trade and other receivables | (3,620) | 5,841 |
| (Increase)/Decrease in other assets | (650) | 2,957 |
| (Decrease)/Increase in trade payables | 14,794 | 1,844 |
| (Decrease)/Increase in other liabilities | (5,946) | (791) |
| (Decrease)/Increase in other payables | 47,606 | (11,950) |
| | 52,184 | (2,099) |
| Cash outflow from operations | (276,344) | (275,680) |

| NOTE 11: AUDITORS REMUNERATION | 30-Jun-2023 | 30-Jun-2022 |
|---|-------------|-------------|
| | \$ | \$ |
| Auditing or reviewing the financial reports by William Buck NSW | 38,014 | 32,500 |
| Non-audit Services | 7,500 | - |
| Total Auditors Remuneration | 45,514 | 32,500 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: SEGMENT INFORMATION

The Company's operations are in one reportable business segment being the exploration of uranium, gold, metals and other minerals.

The Company currently operates in one geographical segment being Australia.

NOTE 13: RELATED PARTY TRANSACTIONS

30-Jun-2023

30-Jun-2022

Key Management Personnel

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2023. The totals of remuneration paid to the KMP of the Company during the year are as follows:

| | \$ | \$ |
|-----------------------------------|----------------|----------------|
| Short-term employee benefits/fees | 312,122 | 289,866 |
| Long-term employee benefits/fees | 32,267 | 29,268 |
| Total KMP compensations | <u>344,389</u> | <u>319,134</u> |

Other transactions with related parties

During the financial year no payments were made to Golden Phoenix International Unit Trust (2022: \$6,250) in relation to the Director's fees or any other fees of Mr Greg Hall. As at 30 June 2023 there was nil payable and due to Golden Phoenix International Unit Trust for the aforementioned fees (2022: nil).

During the financial year, Mr Jian Liu was paid \$5,000 in relation to Director's fees (2022: \$5,000) and \$12,000 for Company Secretarial fees. (2022: \$8,600) As at 30 June 2023 there was nil was payable to Mr Jian Liu (2022: nil).

NOTE 14: COMMITMENTS AND CONTINGENCIES

30-Jun-2023

30-Jun-2022

a) Commitments

The Company is required to meet minimum committed expenditure amounts to maintain current rights of tenure to exploration licences. The minimum commitment of expenditure on each tenement is determined by the Department of Mining and Petroleum. 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:

| | \$ | \$ |
|---|------------------|------------------|
| <i>Exploration Projects in Western Australia</i> | | |
| Within 1 year | 209,945 | 189,781 |
| More than 1 year but not later than five years | 969,890 | 969,890 |
| More than five years | - | - |
| Total | <u>1,179,835</u> | <u>1,159,671</u> |

The Company leased a small office in North Sydney for 12 months – lease expired 10th February 2023.

Lease is now on a month to month basis.

| | | |
|---------------|----------|---------------|
| Within 1 year | <u>-</u> | <u>14,795</u> |
| Total | <u>-</u> | <u>14,795</u> |

b) Contingent assets and liabilities
Contingent liabilities

There are no contingent liabilities as at end of reporting period 30 June 2023 (2022: Nil).

Contingent assets

There are no contingent assets as at end of reporting period 30 June 2023 (2022: Nil).

NOTE 15: FINANCIAL RISK MANAGEMENT

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

| | Effective Interest Rate | Floating interest rate amount | Non- Interest Bearing | Total |
|------------------------------|------------------------------------|--|--------------------------------------|--------------|
| 2023 | | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 3.0% | 2,346,863 | - | 2,346,863 |
| Financial liabilities | | | | |
| Trade and other payables | 5.0% | - | (107,697) | (107,697) |
| 2022 | | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 2.0% | 976,127 | - | 976,127 |
| Financial liabilities | | | | |
| Trade and other payables | 5.0% | - | (45,297) | (45,297) |

a) Credit risk

The Company has no significant concentrations of credit risk with debtors as the Company has not issued any sales for services or products during the period ending 30 June 2023 hence the Company does not insure any outstanding debts.

| | 30-Jun-2023 | 30-Jun-2022 |
|------------------------------------|-------------|-------------|
| (b) Interest rate risk | \$ | \$ |
| Potential impact on post-tax loss: | | |
| Effective Interest rate -1% | (23,469) | (9,761) |
| Effective Interest rate +1% | 23,469 | 9,761 |

The Company places surplus cash with the bank in term deposit of up to 180 days. The rate can vary from rollover period to rollover period. Exposure to variances in interest rates is not controlled by the Company and returns are subject to current interest rates offered by the banks at the time of rollover of the term deposit(s).

(c) Liquidity risk

The Company's principal financial assets are cash and short-term deposits. The Company has taken steps to reduce risk of significant exposure to its cash holdings. Excess cash funds have been invested in low risk Term Deposits with Bank of China (Australia) Ltd (account located in Australia and funds in Australian dollars). The Company at the end of the financial year held 1 Term Deposits with Bank of China for a total of \$279,991 (2022: \$773,665). These funds are accessible without penalty with 30 days' notice.

The Company's principal financial liabilities are comprised of accounts payable. The maximum risk for the period ending 30 June 2023 extended to trade creditors, other expenses and employee related expenses amounting to \$177,370 (2022: \$120,916); with trade creditors (\$36,429) due to be paid within the next 30 days at a maximum (2022: \$21,634), other expenses (\$71,268) (2022: \$23,663) and employee related expenses (\$69,673) (2022: \$75,619) categorised as due within 1 year. The Company has sufficient funds to meet these requirements.

NOTE 15: FINANCIAL RISK MANAGEMENT continued

(d) Management of Capital

The Company's main objective when managing capital is to safeguard the Company's ability to continue as a going concern with the ultimate goal of providing returns for shareholders. The Company's capital consists of ordinary shares issued.

The Company currently has no loans or other borrowings that form part of the capital structure and therefore is not exposed to any financial covenants.

This year the Company made changes to the capital structure by issuing an additional 238,131,000 shares.

(e) Fair values

The financial assets and liabilities of the Company 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.

(f) Risk Exposures and responses

The Company manages its exposure to financial risks in accordance with its management policy. The Policy aims to protect the financial assets of the Company by ensuring that control of funds is not compromised. Senior management is responsible for reducing risk-taking activities by introducing and maintaining policies and risk management strategies.

The Company seeks to have minimum exposure to market forces by maintaining low-risk investment strategies of cash reserves. The Company currently has no foreign exchange exposure and does not foresee having any in the near future and therefore does not have a policy to address foreign exchange risk.

| NOTE 16: EARNINGS PER SHARE | 30-Jun-2023 | 30-Jun-2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Total comprehensive (loss) for the year | (888,383) | (437,302) |
| Number of shares on issue | 457,281,000 | 219,150,000 |
| Weighted average number of shares on issue | 305,803,176 | 217,736,301 |
| Earnings per share | | |
| Basic – \$ per share | (0.0029) | (0.0020) |
| Diluted – \$ per share | (0.0029) | (0.0020) |

NOTE 17: EVENTS AFTER THE END OF THE REPORTING PERIOD

Mr Colin MacKay, Non-executive director, resigned from his position on 7th July 2023. Mr MacKay is yet to be replaced.

The Directors are not aware of any other 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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 18: COMPANY DETAILS

The registered office of the Company is:

Level 1 Suite 107

25-29 Berry Street

North Sydney NSW 2060

The principal place of business of the Company is:

Level 1 Suite 107

25-29 Berry Street

North Sydney NSW 2060

DIRECTORS' DECLARATION

In the Directors' Opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 of the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Mr. Sitong Wu
Executive Director and Acting CEO

Dated this 11th day of September, 2023

Zeus Resources Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zeus Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| KEY AUDIT MATTER | |
|---|--|
| Area of focus | How our audit addressed it |
| <p>During the 2023 financial year, the Company has continued to capitalise exploration and evaluation expenditure in relation to the current tenements it holds.</p> <p>There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate to the remaining tenements and that capitalised costs exceed the fair value less selling cost.</p> <p>An impairment review is required only if an impairment trigger is identified.</p> <p>Indicators of impairment could include:</p> <ul style="list-style-type: none"> – Changes to exploration plans; – Loss of rights to tenements; – Changes in rights to tenements; – Changes to reserve estimates; – Costs of extraction and production; and – Changing market forces in relation to targeted resources. | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> – Assessing the costs capitalised in the year to test if they meet the requirements for capitalisation in accordance with Australian Accounting Standards; – A review of the integrity of the tenement title status and total commitment value through the Department of Mines and Petroleum of the Government of Western Australia. – Challenging and testing the inputs into the impairment calculations, including tenement surrender rates and capitalised expenditures on tenements; and – A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs <p>We assessed the adequacy of the Company's disclosures in respect of the carrying value of exploration and evaluation assets.</p> |

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 33 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Zeus Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Yours faithfully



William Buck
Accountants & Advisors
ABN: 16 021 300 521



Rainer Ahrens
Partner
Sydney, 11 September 2023

| Region | Project | Tenement | Status | Holder | % Interest | Comments |
|----------|----------------|-----------|-------------|--------------------|------------|---|
| Gascoyne | Mortimer Hills | E 09/2147 | Granted | Zeus Resources Ltd | 100% | |
| | | E09/2791 | Application | Zeus Resources Ltd | | Applied on 27/02/2023. Subject to ballot. |
| | | E09/2798 | Application | Zeus Resources Ltd | | Applied on 27/02/2023. Subject to ballot. |
| | | E09/2865 | Application | Zeus Resources Ltd | | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2874 | Application | Zeus Resources Ltd | | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2886 | Application | Zeus Resources Ltd | | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2891 | Application | Zeus Resources Ltd | | Applied on 18/06/2023. Subject to ballot. |
| | | E09/2880 | Application | Zeus Resources Ltd | | Applied on 18/06/2023. Subject to ballot. |
| Wiluna | Wiluna | E 53/1603 | Granted | Zeus Resources Ltd | 100% | |
| | | E53/2197 | Application | Zeus Resources Ltd | | Applied on 27/10/2021. |
| Rothsay | Blue Hill | E59/2804 | Application | Zeus Resources Ltd | | Applied on 20/03/2023. |
| | | E59/2806 | Application | Zeus Resources Ltd | | Applied on 20/03/2023. Subject to ballot |
| Musgrave | Musgrave | E69/4147 | Application | Zeus Resources Ltd | | Applied on 03/04/2023 |
| | | E69/4148 | Application | Zeus Resources Ltd | | Applied on 03/04/2023 |

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Zeus Resources Limited have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The ASX Corporate Governance Council has published the Corporate Governance Principles and Recommendations – 4th edition which takes effect for a listed entity's first full financial year commencing on or after 1 January 2020.

The Company has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report. The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at:

<https://www.zeusresources.com/wp-content/uploads/2023/09/Corporate-Governance-Statement-2023.pdf>

SHAREHOLDER INFORMATION

Shareholder information is set out below:

(a) Distribution of quoted securities:

Zeus Resources Ltd

Analysis of Holdings as at 08-09-2023

Securities

Fully Paid Ordinary

| Holdings Ranges | Holders | Total Units | % |
|-----------------------|--------------|--------------------|---------------|
| 1-1,000 | 20 | 2,722 | 0.00 |
| 1,001-5,000 | 12 | 35,943 | 0.01 |
| 5,001-10,000 | 202 | 1,924,843 | 0.42 |
| 10,001-100,000 | 425 | 19,911,817 | 4.34 |
| 100,001-9,999,999,999 | 373 | 437,405,675 | 95.24 |
| Totals | 1,032 | 459,281,000 | 100.00 |

Zeus Resources Ltd

Analysis of Holdings as at 08-09-2023

Securities

Options \$0.02 Exp 7.02.2025

| Holdings Ranges | Holders | Total Units | % |
|-----------------------|------------|--------------------|---------------|
| 1-1,000 | 2 | 1,001 | 0.00 |
| 1,001-5,000 | 5 | 13,918 | 0.01 |
| 5,001-10,000 | 6 | 46,917 | 0.02 |
| 10,001-100,000 | 105 | 5,496,991 | 2.77 |
| 100,001-9,999,999,999 | 172 | 192,610,173 | 97.19 |
| Totals | 290 | 198,169,000 | 100.00 |

(b) The names of the twenty largest holders of quoted securities are listed below:

Top 20 Holdings as at 08-09-2023

Zeus Resources Ltd

Fully Paid Ordinary

| Name/Address 1 | Balance as at 08-09-2023 | % |
|---|--------------------------|----------------|
| BNP PARIBAS NOMINEES PTY LTD (ZIMC) | 57,650,000 | 12.55% |
| VAST HONOUR GLOBAL LIMITED | 57,534,500 | 12.53% |
| MS CHUNYAN NIU | 22,781,485 | 4.96% |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT D | 20,918,940 | 4.55% |
| MR PETER GEOFFREY BINET | 20,540,540 | 4.47% |
| MRS ANLAN CHEN | 17,531,613 | 3.82% |
| MR COLIN MACKAY | 12,500,000 | 2.72% |
| MR HOANG HUY HUYNH | 11,923,796 | 2.60% |
| MR DEAN ANDREW KENT <THE WATTLE A/C> | 7,400,000 | 1.61% |
| M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C> | 5,250,000 | 1.14% |
| BNP PARIBAS NOMS PTY LTD <DRP> | 5,015,000 | 1.09% |
| MR BHUMIT KANU BHAI THUMAR | 4,791,654 | 1.04% |
| MR YONGLU YU | 4,583,008 | 1.00% |
| BARBARY COAST INVESTMENTS PTY LTD <THE WHITTEN FAMILY | 4,511,309 | 0.98% |
| FRANGIPANI INVESTMENTS PTY LTD | 4,000,000 | 0.87% |
| MR RICHARD ELKINGTON & MRS CHRISTINE ELKINGTON <E S/F # | 3,958,683 | 0.86% |
| MR NICK CHRIS ANTONIADES | 3,426,652 | 0.75% |
| MR WILSON TED SIN CHEE & MISS PATTAMA KITTITHIRAPORNCH | 3,300,000 | 0.72% |
| CITICORP NOMINEES PTY LIMITED | 2,779,296 | 0.61% |
| VERMAR PTY LTD <P&T SUPER FUND A/C> | 2,700,000 | 0.59% |
| Total Securities of Top 20 Holdings | 321,600,191 | 70.02% |
| Other holders | 137,680,809 | 29.98% |
| Total of Securities | 459,281,000 | 100.00% |

Top 20 Holdings as at 08-09-2023

Zeus Resources Ltd

Options \$0.02 Exp 7.02.2025

| Name/Address 1 | Balance as at 08-09-2023 | % |
|--|--------------------------|----------------|
| MS CHUNYAN NIU | 13,542,809 | 6.83% |
| MR COLIN MACKAY | 7,000,000 | 3.53% |
| M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C> | 6,718,019 | 3.39% |
| MR YONGLU YU | 6,552,654 | 3.31% |
| DR SHANE LANGSFORD | 6,300,000 | 3.18% |
| MRS ANLAN CHEN | 5,000,000 | 2.52% |
| MR ANDREW EDWIN YOUNG | 4,896,787 | 2.47% |
| CITICORP NOMINEES PTY LIMITED | 4,840,997 | 2.44% |
| MR SCOTT ARTHUR CLUFF <THE CLUFF OPERATING A/C> | 4,237,213 | 2.14% |
| MR WILSON TED SIN CHEE & MISS PATTAMA KITTITHIRAPORNCH | 4,200,000 | 2.12% |
| ANNBROOK CAPITAL PTY LTD | 4,051,606 | 2.04% |
| MR DEAN ANDREW KENT <THE WATTLE A/C> | 4,000,000 | 2.02% |
| FRANGIPANI INVESTMENTS PTY LTD | 4,000,000 | 2.02% |
| MR RAYMOND ALFRED JACKSON <RAYJEN SUPER FUND A/C> | 3,900,000 | 1.97% |
| FLUE HOLDINGS PTY LTD | 3,750,000 | 1.89% |
| MR PAUL HARTLEY WATTS | 3,100,000 | 1.56% |
| MR MICHAEL HUGH RENWICK | 3,000,000 | 1.51% |
| I AND J CONSULTING PTY LTD | 2,961,538 | 1.49% |
| ASE INVESTMENTS PTY LTD <ASE FAMILY A/C> | 2,831,370 | 1.43% |
| MR NICK CHRIS ANTONIADES | 2,613,326 | 1.32% |
| Total Securities of Top 20 Holdings | 97,496,319 | 49.20% |
| Other Holders | 100,672,681 | 50.80% |
| Total of Securities | 198,169,000 | 100.00% |

(c) Substantial Shareholders:

| Name/Address 1 | Fully Paid Ordinary | | Options \$0.02 Exp 7.02.2025 | |
|-------------------------------------|--------------------------|----------------|------------------------------|----------------|
| | Balance as at 08-09-2023 | % | Balance as at 08-09-2023 | % |
| BNP PARIBAS NOMINEES PTY LTD (ZIMC) | 57,650,000 | 12.55% | 0 | 0.00% |
| VAST HONOUR GLOBAL LIMITED | 57,534,500 | 12.53% | 0 | 0.00% |
| Total Holders with > 5% FPO | 115,184,500 | 25.08% | 0 | 0.00% |
| Total of Securities | 459,281,000 | 100.00% | 198,169,000 | 100.00% |

(d) There are 353 holders holding less than a marketable parcel of fully paid ordinary shares (ASX: ZEU) based on the closing market price at 8 September 2023.

There are 63 holders holding less than a marketable parcel of option expiring 07-Feb-2025 (ASX: ZEUD) based on the closing market price at 8 September 2023.

(e) There is no current on-market buy-back.

(f) The Company does not currently have any class of unquoted equity securities set up on the ASX.

(g) Voting Rights

The voting rights attaching to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.