

30th July 2021



Corporate Details

Zenith Minerals Limited (ASX:ZNC)

ABN: 96 119 397 938

| | |
|---------------------------|---------------------|
| Issued Shares | 294.4M |
| Unlisted options | 16.55M |
| Mkt. Cap. (\$0.26) | A\$76.4M |
| Cash (30-Jun-21) | A\$1.85M |
| Debt | Nil |
| Capital Raise (30-Jul-21) | A\$6M, 27.9M shares |

Directors

| | |
|--------------------|-------------------|
| Peter Bird | Exec Chair |
| Michael Clifford | Director-CEO |
| Stan Macdonald | Non-Exec Director |
| Julian Goldsworthy | Non-Exec Director |
| Graham Riley | Non-Exec Director |
| Nicholas Ong | Co Sec |

Major Shareholders (pre-placement)

| | |
|--------------------|-------|
| Directors | ~7% |
| HSBC Custody. Nom. | 10.4% |
| BNP Paribas. Nom. | 6.0% |
| Citicorp Nom | 4.3% |
| Granich | 4.1% |

Our Vision

Zenith has a vision to build a gold and base metals business with a team of proven project finders.

Focus is on 100% owned Zenith projects, whilst partners progress multiple additional opportunities using partner funds.

Contact Us

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CAPITAL RAISING TO UNLOCK GROWTH

Zenith has received firm commitments to raise \$6.0 million from Australian and international institutional and sophisticated investors.

• This placement is to be used to accelerate an active exploration program at Zenith's core Australian projects including:

- Continue with a significant amount of drilling at the Develin-Creek VMS Copper Project (100%)
- Push towards resource inventory at its two wholly owned gold projects - Red Mountain and Split Rocks
- Continue to add to its overall metal inventory

• Zenith is well funded with approximately \$7.5m cash post offer in addition to \$1.9m of script in JV partner Rumble Resources and \$5.2m in Bradda Head (BHL.AIM).

Zenith Minerals Limited ("Zenith" or the "Company") is pleased to announce that it has received firm commitments in a placement ("Placement") to raise \$6.0 million, to accelerate an active exploration program with a focus on its core gold and copper projects.

The Placement received significant support from new and existing institutional and sophisticated investors, and new shares will be issued under the Company's available ASX Listing Rule 7.1A placement capacity.

A total of 27.9 million new fully paid ordinary shares in the Company ("New Shares") will be issued under the Placement, which will rank pari passu with existing fully paid ordinary shares in the Company.

The Placement issue price of \$0.215 per New Share represents a 14% discount to the last traded price (on 27 July 2021) and 14% discount to the 30-day VWAP. Settlement of the Placement will take place on or about Wednesday 4 August 2021. This placement represents 9.5% of ordinary shares of the Company.

Commenting on the Placement, Zenith Executive Chairman Peter Bird said, "This capital raising positions the Company well to continue executing its strategy. Interest in the raise resulted in an oversubscribed book which we had to respectfully scale back. We remain very grateful to our existing shareholder base and welcome several new shareholders including cornerstone institutional shareholders to the register.

Our objective remains value generation in the resources space as has been illustrated over the past 12 months. Funds will be used for both general corporate purposes and to generate resource inventory principally in our core portfolio. Our budget currently projects that approximately 70% of funds will go "into the ground".

We are very positive about the fundamental demand outlook for base and precious metals. With respect to the former this will be played out in our portfolio by increased activity at our Develin Creek copper project (ZNC 100%) and supporting the ongoing activities at the Earraheedy Zinc Joint Venture - EJV (ZNC 25%).*

The initial 30,000m multi-rig drill program is now well underway at the EJV and is funded by our JV partner Rumble Resources. Zenith will continue to provide support at the EJV to ensure an optimal outcome for our shareholders.

At the Develin Creek Copper-Zinc Project Queensland (ZNC 100%) eight drill targets are ready for drill testing. This will initially comprise approximately 40 holes in the upcoming quarter. Develin Creek is an exciting VMS copper system with a pre-existing JORC Complaint Resource which we are very keen to build upon.

At the Red Mountain Gold Project Queensland (ZNC 100%) ongoing drilling continues to identify strong gold zones in the step-out drilling. Gold mineralisation remains open at depth and this is the focus so as to generate a resource.

At the Split Rocks Gold Project in Western Australia (ZNC 100%) we have a well-defined mineralised gold zone extending for over 3km within our leases. Drilling is set to continue with a view to defining a resource by year end".

** free carried to the end of BFS*

Morgans Corporate Limited and KG Capital Partners acted as Joint Lead Managers to the Placement.

For further information please refer to the Company's website or contact the Company directly.

Authorised for release by the Zenith Minerals Limited Board of Directors – 30th July 2021

For further information contact Zenith Minerals Limited:

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Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Michael Clifford, who is a Member of the Australian Institute of Geoscientists and an employee of Zenith Minerals Limited. Mr Clifford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Material ASX Releases Previously Released

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Company's Projects on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release and that the material assumptions and technical parameters remain unchanged.

About Zenith

Zenith has a vision to build a gold and base metals business with a team of proven project finders. Focus is on 100% owned Zenith projects, whilst partners progress multiple additional opportunities using third party funds.

Zenith is continuing to focus on its core Australian gold and copper projects including:

- **Red Mountain Gold Project** in Queensland (100% owned) where ongoing drilling is following-up the high-grade near surface gold and silver intersected in the maiden & subsequent drill programs (ASX Releases 3-Aug-20 & 13-Oct-20, 9-Nov-20, 21-Jan-21), including:
 - 13m @ 8.0 g/t Au & 3.2 g/t Ag from surface
 - 15m @ 3.5 g/t Au, incl. 2m @ 22.4 g/t Au
 - 5m @ 10.4 g/t Au, and
 - 12m @ 4.9 g/t Au
- **Split Rocks Gold Project** in Western Australia (100% owned), where recent drilling returned, high-grade near surface gold mineralisation at multiple targets (ASX Release 5-Aug-20, 2-Sep-20, 19-Oct-20, 28-Oct-20, 15-Jan-21, 11-Mar-21, 21-Apr-21, 24-Jun-21), including:
 - Dulcie North: 32m @ 9.4 g/t Au, incl 9m @ 31.4 g/t Au.
 - Dulcie Laterite Pit:
 - 2m @ 14.5 g/t Au, incl. 1m @ 20.8 g/t Au,
 - 18m @ 2.0 g/t Au (EOH) incl. 1m @ 23.7 g/t Au &
 - 14m @ 3.5 g/t Au
 - Estrela Prospect: 2m @ 9.8 g/t Au (open to north & south)
 - Dulcie Far North: 5m @ 5.6 g/t Au incl. 4m @ 6.8 g/t Au, 3m @ 70 g/t Au
 - Water Bore: 3m @ 6.6 g/t Au
- **Develin Creek Copper-Zinc Project** in Queensland (100% owned) – maiden drill test of the new Snook copper target located 30km south of Zenith's JORC resources discovers massive copper-zinc sulphides (ASX Release 17-Dec-20). Drill results from Sulphide City include: 29m @ 2.3% Cu, 1.2% Zn, 0.3g/t Au, 4.2 g/t Ag (ASX Release 5-Jul-21).
- **Jackadgery Gold Project** in New South Wales (option to earn initial 90%), historic trenching returned 160m @ 1.2 g/t Au. No drilling to date. Zenith planning maiden drill test (ASX Release 10-Sep-20).
- **Earaheedy Zinc Project** in Western Australia (25% free carry to end BFS). New major zinc discovery to be fast tracked with extensive accelerated exploration program underpinned by a recent \$40M capital raising by partner Rumble Resources Limited (ASX:RTR) (ASX Releases 28-Apr-21, 2-Jun-21, 8-Jun-21).