

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31st DECEMBER 2021

Our Vision

Zenith has a vision to maximise shareholder value through superior project generation and exploration activities.

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

Corporate Details as at 31st Dec 2021

Zenith Minerals Limited (ASX:ZNC)
ABN:96 119 397 938

Issued Shares	323.8M*
Unlisted options	14.5M
Mkt. Cap. (\$0.25)	A\$81M
Cash (31 st Dec 21)	A\$4.4M*
Equities (31 st Dec 21)	A\$9.1M
Debt	Nil

*Excludes \$6M placement to EVM (ASX Release 19-Jan-22)

Directors

Michael Clifford	CEO
Stan Macdonald	Non-Exec Director
Julian Goldsworthy	Non-Exec Director
Nic Ong	Co Sec
Nick Bishop	CFO

Major Shareholders

Directors	3.4%
HSBC Custody Nom.	9.4%
Citicorp Nom	9.0%
BNP Paribas Nom	5.8%
Granich	3.7%

Contact Us

Level 2, 33 Ord Street
WEST PERTH WA 6005

PO Box 1426
WEST PERTH WA 6872

Telephone: (08) 9226 1110
Email: info@zenithminerals.com.au
Web: www.zenithminerals.com.au

MAJOR NEW LITHIUM JOINT VENTURE WITH EV METALS GROUP

- Post quarter end the company announced the Zenith Lithium Joint Venture a major new venture with the EV Metals Group (EVM) – refer to ASX Release 13-Jan-22. Zenith plans to refocus on lithium, and related EV-metals, backed by EVM.
- To allow the Zenith team to focus on EV-metal project generative activities, it is planned that the non-EV-metal projects, including base metals and gold assets will be demerged into one or more new companies to be listed on ASX (refer to page 4 for further details).

MULTIPLE DRILL PROGRAMS CONTINUE TO ADVANCE GOLD & BASE METAL PROJECTS

- Three new zinc-lead zones discovered at the Earraheedy Joint Venture (ZNC 25% free carry to end of a bankable feasibility study) in Western Australia.
 - New Tonka Zinc Discovery announced (ASX Release 13-Dec-21).
 - New Zinc Zone Discovered at Navajoh*
 - New Feeder Fault Zinc Zone announced*
 - Encouraging infill drill results announced at Chinook Discovery* (*ASX Release 21-Dec-21)
- Develin Creek Copper-Zinc Project Queensland (ZNC 100%) – Resource update drilling returned wide high-grade copper in massive sulphides at Scorpion deposit, including: 21m @ 2.5% Cu, 1.6% Zn and 0.4 g/t Au (ASX Release 7-Jan-22). Massive sulphides intersected at two regional targets - Snook and Wilsons North, assays pending (ASX Release 16-Dec-21).
- Split Rocks Gold Project Western Australia (ZNC 100%) – Initial 4m composite assay results from the first 50 holes, from a 150-hole aircore/slimline RC drill program returned: 12m @ 2.9 g/t Au, 8m @ 1.8 g/t Au and 8m @ 1.7 g/t Au (ASX Release 18-Jan-22).

CORPORATE

- Cash balance of \$4.4M at the end of the quarter. Equity investments held by Zenith worth approximately \$9M include 3.8 million ASX:RTR & 43.9 million LON:BHL shares. Placement to EV Metals and its nominees completed on 19-Jan-22 raising additional \$6M.

ZENITH LITHIUM JOINT VENTURE

Post quarter end the company announced a major new lithium joint venture with the EV Metals Group (refer ASX Release 13-Jan-22). Zenith plans to refocus on lithium, and related EV-metals, backed by a new joint venture with the EV Metals Group (EVM).

Key commercial terms of the Zenith Lithium Joint Venture include:

- EVM may earn a 60% interest in the lithium rights in two initial 100% owned Zenith projects Waratah Well and Split Rocks by sole funding the completion of a feasibility study within 24 months, with Zenith retaining a 40% project share.
- On and from completion of a feasibility study, Zenith and EVM will form a joint venture in respect of the project lithium rights. EVM will sole fund expenditure to a decision to mine, following which the parties will be required to fund future joint venture expenditure in accordance with their respective percentage shares.
- EVM must arrange all financing for the development, construction and commissioning of any future mine including Zenith's share. Zenith must repay its proportionate share of the project finance including interest from the sale of its proportionate share of minerals produced.
- EVM to spend a minimum of A\$7M on exploration on the projects, in 24 months, before being able to voluntarily withdraw provided that if EVM does not complete a feasibility study within 24 months it will be deemed to have withdrawn and will not earn an interest in the project lithium rights.
- In addition, EVM or its nominees subscribed for 20,000,000 ordinary ZNC shares @ \$0.30 cents per share (representing a premium of 20% above the VWAP for ZNC shares for the preceding 10 Business Days) raising A\$6M (Placement), with funds applied to source new lithium opportunities, near term advancement of its gold and base metals portfolio and towards working capital (refer ASX release 19-Jan-22).
- The agreement includes a new joint venture over Zenith's Split Rocks and Waratah Well projects in Western Australia, as well as a non-exclusive right to bring additional projects to the joint venture by either party, to explore for lithium/EV metals (Figure 1).

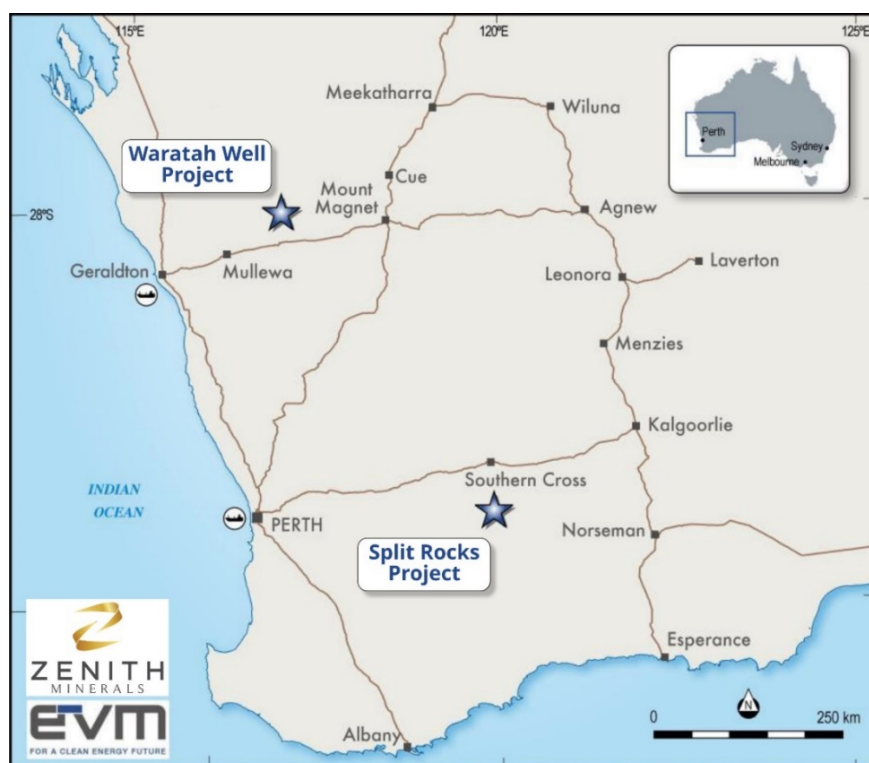


Figure 1: Zenith Lithium Joint Venture - Project Locations

SPLIT ROCKS LITHIUM-TANTALUM PROJECT – WA (EVM Earning 60%)

Zenith has been systematically exploring the Split Rocks project, with landholdings of approximately 660 sqkm in the Forrestania greenstone belt, for lithium. This emerging lithium district is host to SQM-Wesfarmers Mt Holland/Earl Grey lithium deposit containing a Measured, Indicated & Inferred Mineral Resource of 189Mt @ 1.5% Li₂O (66Mt @ 1.58 % Li₂O Measured, 106Mt @ 1.52% Li₂O Indicated and 17Mt @ 1.11% Li₂O Inferred) (reported in KDR:ASX Release 19-Mar-2018).

Drill testing of three large, lithium pegmatite targets (Dulcie, Rio and British Hills East) on the Split Rocks joint venture ground is planned to commence in early 2022, on finalisation of drill permits.

The Dulcie pegmatite (located within E77/2388) has been the subject of previous Zenith drilling, intersecting a flat lying pegmatite up to 77m thick that remains open ended to the north where the pegmatite rock chemistry shows higher levels of fractionation, a positive indicator for lithium fertility.

The Rio pegmatite is also a flat lying pegmatite, up to 65m thick, that has been intersected in 3 historic diamond drill holes. Drilling is planned to assess this pegmatite target that remains open in all directions.

At British Hills East, historic shallow, RAB and AC drilling intersected pegmatites over 2.7km of strike, with one hole intersecting 53m of pegmatite to end of hole.

In addition, several lithium surface anomalies generated by Zenith through limited soil and auger sampling in the central west and northern portions of the project area require drill testing. Large areas considered prospective around granite margins in the centre of the project area are yet to be screened by surface sampling. Surface sampling programs will commence in early 2022 to assess these areas.

WARATAH WELL LITHIUM-TANTALUM PROJECT – WA (EVM Earning 60%)

Following on from the announcement of a new partnership with the EVM Group to build a lithium business post quarter end, the Company announced that it had commenced the initial phase of joint assessment work on the Waratah Well pegmatite field. The first phase drill program commenced on 24-Jan-22. The target is lithium (spodumene) bearing pegmatites beneath the widespread, surface tantalum-lithium rich pegmatite dyke swarm, akin to zonation observed in other lithium deposits in Western Australia.

Background on the Waratah Well Project

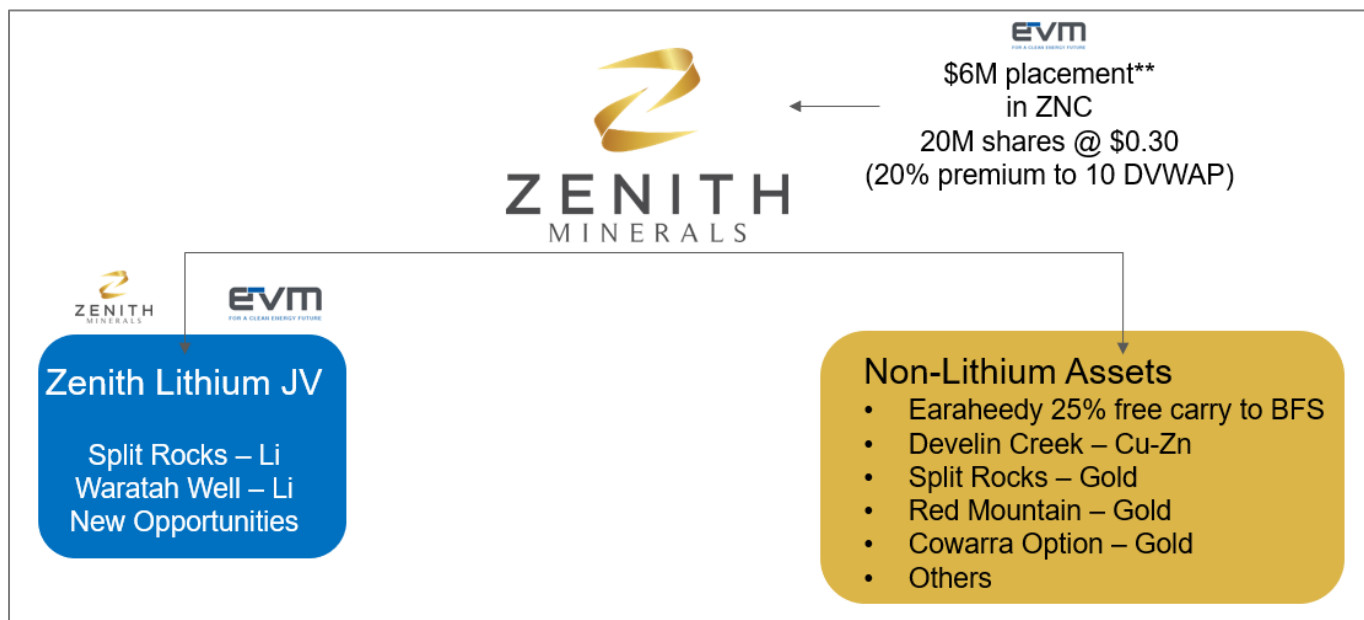
The Waratah Well Project is located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region of Western Australia.

- Tantalum and locally lithium bearing pegmatite sills and dykes crop out over a 3km x 2km area with a range of dips from 600 to flat lying and thickness from 0.5m to 21m – refer to ASX Release 27-Apr-18, 30-Apr-20 and 3-Nov-21);
- Lithium rock chip sample grades up to 2.09% Li₂O in the north-western portion of the target area.
- At the north-eastern end of the pegmatite outcrop area 14 closely spaced stacked dykes occur where surface composite rock chip sampling has returned tantalum grades including 262, 299, 360, 366, 421 & 573 ppm Ta₂O₅; this zone is open ended to N, NE & SE where it runs under surface soil cover.
- A second area of dykes returned similarly high tantalum values such as 207, 250, 323, 518, 616, 1184 ppm Ta₂O₅.
- A third zone of narrower dykes occurs in the northwest of the pegmatite belt but with very high grades of 708, 995, 1007, 1166 and 1221 ppm Ta₂O₅.

The key lithium target is the blind lithium spodumene mineralisation beneath the tantalum bearing dykes, a geological architecture similar to that noted at the Bald Hills lithium mine (formerly owned by ASX:TAW). A similar picture is also noted at Liontown's (ASX:LTR) Kathleen Valley lithium project whereby relatively narrow surface pegmatite dykes merge at depth to form a thick flat lying lithium spodumene rich sill (refer to ZNC ASX Release 24-Jan-22 for further details).

DEMERGER OF NON-LITHIUM ASSETS

To allow the Zenith team to focus on EV-metal project generative activities, it is planned that the non-EV-metal projects, including base metal and gold assets will be demerged into one or more new companies to be listed on ASX. Any such demerger will be subject to ZNC Board approval, tax advice favourable to the Company, shareholder, ASX, ASIC and other regulatory approvals. ZNC shareholders to benefit by way of an in-specie distribution of the shares in the new listed vehicle/s. Further updates and information on the demerger will be provided by Zenith in due course.



GOLD – COPPER & ZINC PROJECT - HIGHLIGHTS

Develin Creek Copper-Zinc QLD (ZNC 100%)

Massive copper -zinc sulphides intersected at both regional targets Wilsons North and Snook

Sulphide City resource update drilling continues to intersect wide high-grade copper-zinc rich massive sulphides incl: 12m @ 2.6% Cu, 5.2% Zn, 1.4 g/t Au and 73 g/t Ag

Resource update drilling returned wide high-grade copper in massive sulphides at Scorpion deposit, incl: 21m @ 2.5% Cu, 1.6% Zn, 0.4 g/t Au and 18g/t Ag

- Massive copper-zinc sulphides were intersected at both the Wilsons North and Snook prospects, key regional targets under initial evaluation that form part of the 100% owned Develin Creek copper-zinc project in Queensland (ASX Releases 7-Oct-21, 16-Dec-21 and 7-Jan-22).
- Massive copper sulphides intersected in the maiden drill program at the Wilsons North prospect. The first drill hole of the program intersected 2m of massive copper sulphides returning 0.8% copper, with follow-up holes intersecting a total of 7m of massive to semi-massive sulphides. Assays remain pending with mineralisation remaining open to the north and east.
- Drilling has continued to intersect additional massive copper-zinc sulphides at the Snook prospect:
 - Mineralised footprint extended to a length of 150 metres, with mineralisation remaining open along strike to the south.
 - high-tenor results of 2m @ 2.0% Cu, 3.4% Zn, 0.6% Pb, 77 g/t Ag and 0.6 g/t Au returned from 1m samples for hole 017.
- Sulphide City resource update drilling program continues to intersect wide high-grade massive copper-zinc sulphides, including:
 - 12m @ 2.6% Cu, 5.2% Zn, 73 g/t Ag and 1.4 g/t Au (ZSCRC003)
 - 12m @ 1.5% Cu, 0.5% Zn, 3.6 g/t Ag & 0.2 g/t Au and 16m @ 1.7% Cu, 3.4 g/t Ag and 0.1 g/t Au (ZSCRC004), part of a 72m thick massive sulphide zone comprised of 28m of massive copper-zinc sulphides and 44m of massive pyrite, ending in massive pyrite (diamond tail planned 2022).
- Resource update drilling at the Scorpion deposit returned wide high-grade copper (ASX Release 7-Jan-22). Results from Scorpion, include:
 - 21m @ 2.5% Cu, 1.6% Zn, 0.4 g/t Au and 18.0 g/t Ag
 - 20m @ 2.3% Cu, 0.3% Zn, 0.4 g/t Au and 16.2 g/t Ag
 - 18m @ 1.7% Cu, 0.6% Zn, 0.6 g/t Au and 26.3 g/t Ag
- 46 holes drilled in total during the quarter. Assays are awaited for a further 9 drill holes (4 at Wilsons North Prospect, 3 at the Snook Prospect and 2 in Sulphide City).
- Drilling planned to resume in the first calendar quarter 2022, with follow-up programs planned at Wilsons North, Snook, Sulphide City and targets surrounding Sulphide City that have not yet been tested during the 2021 drill program. The resource update drill program will be completed as a priority before moving on to the more regional prospects.

Red Mountain Gold – QLD (ZNC 100%)

High-Grade Western Gold Zone

High gold recoveries (average 83.3% gold) in sighter level leach

Ongoing exploration activity at the 100% owned Red Mountain gold project located in Queensland (ASX Release 19-May-21) continues to provide highly encouraging high-grade gold drill assay results. Drilling to date has outlined a discrete sub-vertical high-grade gold zone (Western Zone) to a vertical depth of 200m, with the zone remaining open at depth.

Sighter level metallurgical testwork completed during the quarter indicates high average gold recoveries using standard industry leaching technology on

**testwork conducted on
drill core samples**

composite samples that represent the two main mineralisation styles at Red Mountain. Initial results are highly encouraging but further detailed variability testing will need to be completed as the project moves forward. Leach testwork returned recoveries up to 95.8% gold in 24hrs with a very-high gravity gold component of 61.2% gravity gold recovery, as detailed in ASX Release 7-Dec-21.

**Copper-gold target in core
of breccia**

In addition to the high-grade gold zone on the northwest margin of the breccia pipe, recent modelling of geophysical data and integration of geological information defines a drill target in the centre of the breccia system (ASX Release 16-Aug-21). A discrete strong magnetic core zone lies below the surface outcrop where rock chip results returned strongly anomalous assays including 0.3% Cu, associated with visible copper minerals. In addition, a strong induced polarisation (IP) chargeability anomaly encircles the breccia pipe and forms a 1200m long halo to the magnetic core (Figure 2) confirming potential for gold mineralisation to occur right around the circumference of the breccia pipe system.

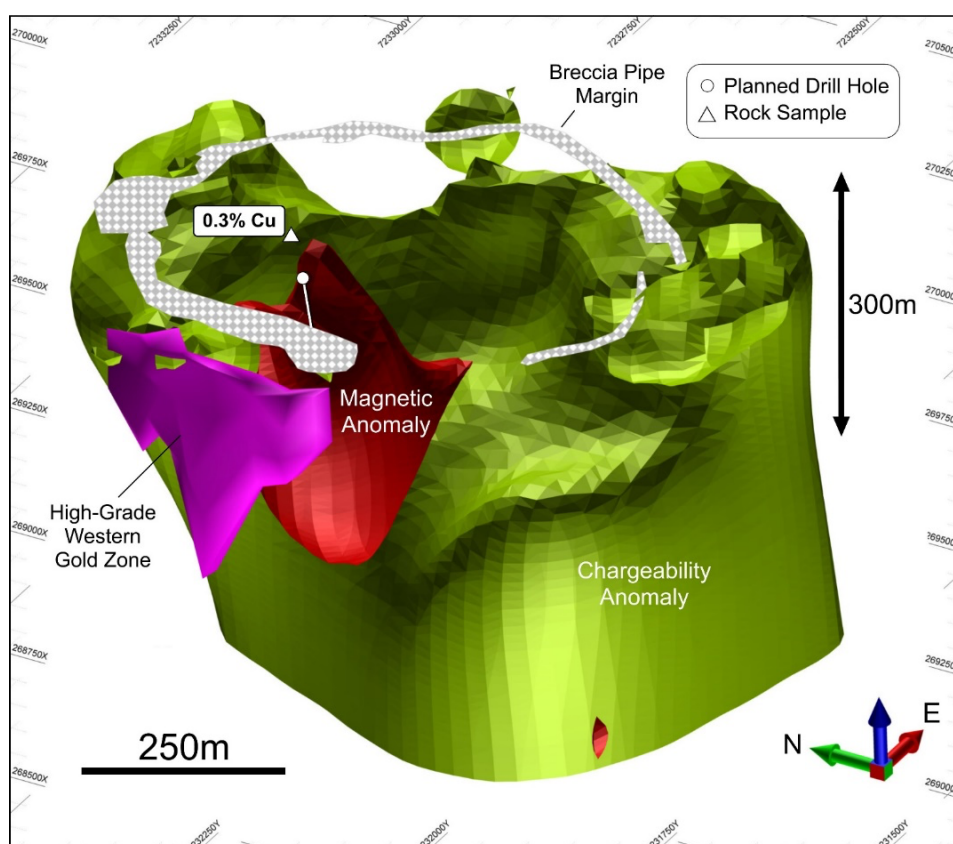


Figure 2: 3D View of the Copper-Gold Drill Target at Red Mountain (red) also Showing Extent of IP Chargeability Anomaly (green) closely related to the High-Grade Western Gold Zone Discovered by ZNC

**Drilling planned to
continue in Q1
CY 2022**

Planned Programs

The Company plans to drill test the magnetic core zone as part of the ongoing Red Mountain gold drilling campaign. Red Mountain is a maiden discovery by Zenith and is located within a very prospective and proven geological region. We anticipate that drilling campaigns at the Red Mountain Project will continue in the first quarter CY2022.

Split Rocks Gold Project – WA (ZNC 100%)

150-hole aircore drill program completed to test multiple gold zones

Results from 50 holes, from a 150-hole aircore/slimline RC drill program testing multiple targets were received post quarter end (ASX Release 13-Jan-22). Results from Dulcie Far North, one of 6 prospects tested in the late 2021 drill program, show continuity of gold mineralised trends in the near surface, over a strike of approximately 1km north-south.

Continuity of gold mineralised trends in the near surface, over a strike of approximately 1km north-south

Initial 4m composite assay results from this aircore/slimline RC drilling at Dulcie Far North, include:

- 12m @ 2.9 g/t Au
- 8m @ 1.8 g/t Au, including 4m @ 3.1 g/t Au
- 8m @ 1.7 g/t Au, including 4m @ 2.8 g/t Au
- 3m @ 2.8 g/t Au
- In addition, a further 7 shallow drill holes ended in gold mineralisation grading >0.4 g/t Au

12m @ 2.9 g/t Au

New results are in addition to those released in late September 2021 for Dulcie Far North (ASX Release 30-Sep-21), that included:

- 4m @ 10.2 g/t Au (eoh), incl 2m @ 19.8 g/t Au (eoh)
- 9m @ 1.8 g/t Au incl 2m @ 6.2 g/t Au
- 8m @ 1.1 g/t Au incl 2m @ 3.2 g/t Au

Note Zenith retains gold rights at Dulcie Far North, Dulcie North, Dulcie Laterite Pit Zone and Scott's Grey below 6m, subject to the Dulcie option agreement (ASX Release 21-Mar-19).

Planned Programs

Assay results for a further 100 holes from the adjoining Dulcie North, Scott's Grey, Water Bore, British Hills East & Estrela prospects are still awaited.

Follow-up RC drilling planned to commence in late January 22

RC drilling is planned to resume in late January 2022 to better define and extend gold mineralisation in the bedrock at Dulcie Far North as well as at Dulcie Laterite Pit, Dulcie North, & Water Bore.

This follow-up RC drill program may be expanded pending results from Scott's Grey, British Hills East & Estrela.

EARAHEEDY ZINC

Major zinc discovery continuing to expand

2021 drill program of ~50,000m

Zenith Minerals Ltd (ASX: ZNC) owns a 25% free carried interest in the EJV whilst Rumble owns 75%. The project area (E69/3464) covers the contact between the overlying Frere Iron Formation and underlying Yelma Formation of the Earahedy Basin.

Target is very large, near surface open pit zinc-lead-silver mineralisation

In April 2021 the EJV partners each announced a major Zinc-Lead Discovery with 'Tier 1' potential at the Earahedy Project (refer ASX Release 19-Apr-21) and followed this up announcing a Large Sedex Style System Emerging at the Earahedy Project (ASX Release 25-May-21). There are 2 main prospects within the EJV, Chinook and Magazine that lie 12km apart and are now joined by mineralisation at Tonka, Navajoh and in a Feeder Fault below the Chinook mineralisation.

Within the broader region, Zenith in its own right controls 100km of prospective mineralised strike which also has the potential to contain multiple large tonnage Zn – Pb deposits (Figure 3).

The 2021 drilling program was expanded to over 50,000m, primarily to further drill and scope the new Tonka discovery zone (ASX Release 13-Dec-21 & 21-Dec-22). Late Dec-21 results for a further ninety (90) holes for 13,959 metres were reported on with assay results returned for 28,144m of drilling (approximately 56% of the planned 2021 drilling campaign). The final sets of drilling results are expected by February-March 2022.

TONKA DISCOVERY

Discovery at Tonka

A new zone of flat lying Zn-Pb-Ag mineralisation at Tonka was discovered 8km southeast of the Chinook Zn-Pb-Ag discovery, during exploration drilling testing the wider potential of the joint venture ground (ASX Release 13-Dec-21). Key attributes of Tonka include:

A new Zn-Pb mineralised zone intersected on one key drill section and in sparse step-out drilling, covering an initial footprint of 1.7km x 1km, remaining open in all directions.

Mineralisation style is flat lying near surface - like that at the Chinook Zn-Pb-Ag discovery, where drilling is ongoing.

• Results include:

- 22m @ 4.27% Zn+Pb, 5.4 g/t Ag from 110m
- 10m @ 3.93% Zn+Pb, 4.34g/t Ag from 84m
- 5m @ 5.03% Zn+Pb, 9.74g/t Ag from 101m

NEW FEEDER FAULT ZONE*

Interpreted high-grade feeder fault mineralisation intersected below the recently discovered flat-lying, extensive (4.1km long x 1.9km wide) Chinook zinc-lead mineralisation.

Discovery of Feeder Fault Mineralisation

• Currently defined by 3 holes over 1.7km strike length

• New drill results include:

- 10m @ 6.57% Zn + Pb, 16.24 g/t Ag from 200m, within broad zone of 84m @ 1.84% Zn+Pb to end of hole.
- 17m @ 3.08% Zn+Pb
- 6m @ 6.57% Zn+Pb

Metal zonation (Cu-Co-As-Ag), mineral alteration and geological architecture supports potential for deeper large-scale Cu-Zn-Pb-Ag deposits below the extensive, flat-lying, unconformity style mineralisation discovered to date, at Chinook, Tonka and Navajoh.

NEW CHINOOK RESULTS*

Ongoing RC drilling at the western end of Chinook returned further encouraging infill results, including:

Chinook Results returned further encouraging infill results

- 8m @ 3.67% Zn + Pb, 4.10 g/t Ag from 74m (EHRC297)
- 8m @ 3.65% Zn + Pb, 8.03 g/t Ag from 128m (EHRC197)
- 17m @ 2.91% Zn + Pb, 2.29 g/t Ag from 110m (EHRC206)
- 5m @ 4.54% Zn + Pb, 4.24 g/t Ag from 110m (EHRC113)
- 6m @ 3.48% Zn + Pb, 37.00 g/t Ag from 59m (EHRC159)

- 5m @ 5.53% Zn + Pb, 3.56 g/t Ag from 79m (EHRC159)

NEW MINERALISED ZONE DEFINED AT NAVAJOH*

Mineralised zone discovered at Navajoh, located 4km southeast of the recent Tonka Discovery (ASX Release 13-Dec-21).

Discovery of Mineralisation at Navajoh

First pass drilling on a single traverse intersected significant flat lying Zn-Pb-Ag sulphide mineralisation, like that at the Chinook and Tonka Prospects. New drilling results include:

- 5m @ 6.38% Zn + Pb, 6.3 g/t Ag from 123m (EHRC280)
- 3m @ 6.15% Zn + Pb, 10.63 g/t Ag from 132m (EHRC281A)
- 4m @ 4.18% Zn + Pb, 3.57 g/t Ag from 106m (EHRC291)
- 9m @ 2.75% Zn + Pb, 2.71 g/t Ag from 157m (EHRC285)

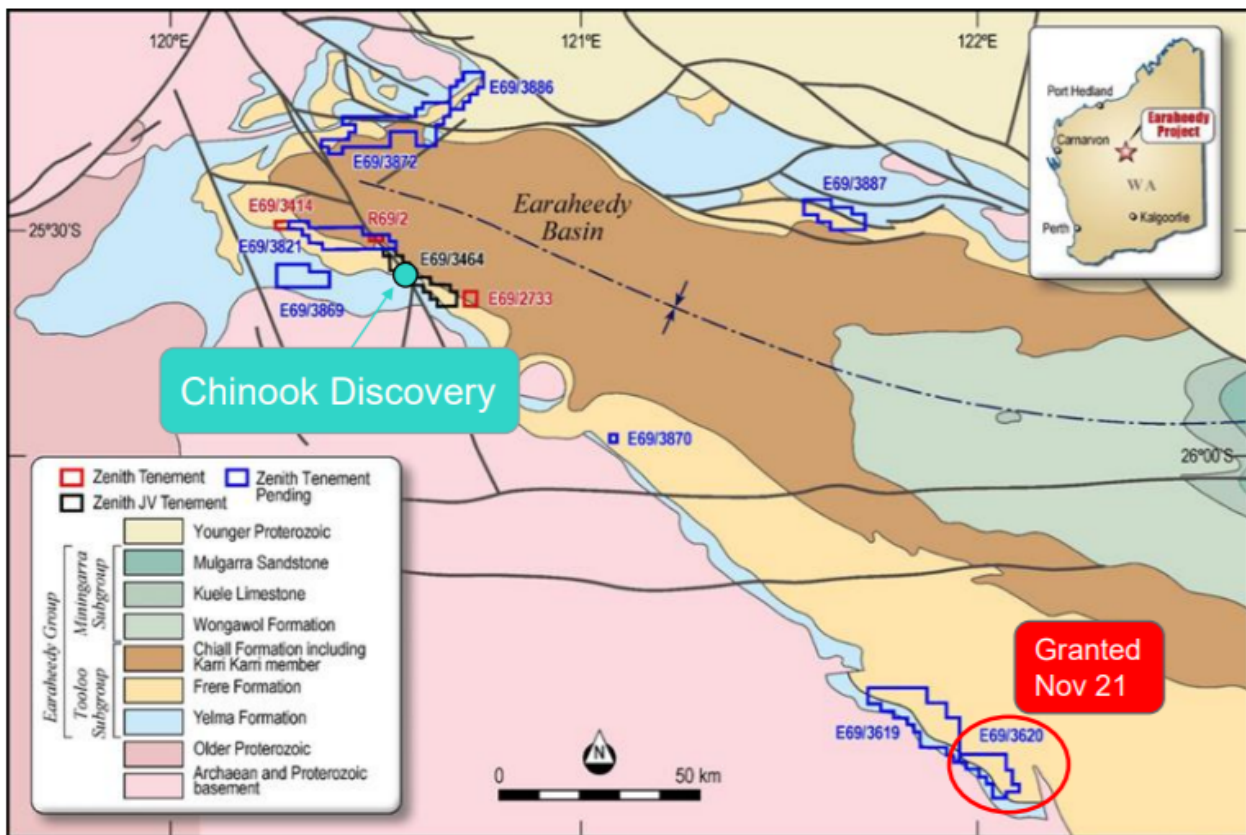


Figure 3: Earaheedy Zinc Project Zenith Tenure

2022 PLANNED PROGRAM SUMMARY*

Discovery to be fast tracked via an extensive accelerated exploration program, underpinned by partners (RTR) \$40M capital raise

Diamond core drilling planned to further test the major 1.7km long feeder fault zone intersected at Chinook, confirm structural information regarding inferred feeder faults, provide further support for the interpretation of large-scale metal zonation within the Project area and collect material for sighter metallurgical test-work.

RC drilling to further scope size and grade of Chinook, Tonka, Magazine and Navajoh prospects to define the limits of mineralisation and infill within the discovery areas within the ZNC – JV tenement E69/3464.

Sonic drilling – provided superior recoveries in holes EHS001 and EHS002 compared to diamond drilling within the Navajoh Unconformity Unit supporting the operators’s decision to restart the Sonic program in 2022. This material will be utilised in further metallurgical test work. In addition, sonic drilling will also be used to test all areas of oxide mineralisation.

Metallurgy - Initial sighter test work has commenced

**Refer to Rumble Resources Limited ASX Release 21-Dec-21 for details*

CORPORATE

Capital

As at 31-Dec-21 the Company had \$4.4M cash. Equity investments held by Zenith worth approximately \$9M include 3.8 million ASX:RTR & 43.9 million LON:BHL shares received as part of project based transactions.

EVM or its nominees subscribed for 20,000,000 ordinary ZNC shares @ \$0.30 cents per share (representing a premium of 20% above the VWAP for ZNC shares for the preceding 10 Business Days) raising A\$6M (Placement), with funds applied to source new lithium opportunities, near term advancement of its gold and base metals portfolio and towards working capital (refer ASX release 19-Jan-22).

The Company has sufficient funds to continue with its budgeted activities on its very active wholly owned projects. The Split Rocks - Lithium, Waratah Well – Lithium and Earacheedy Zinc JV are funded by their respective partners who are planning very active 2022 programs.

At section 6.1 of the Appendix 5B, the payments to Directors of the Company for the quarter ended 31-Dec-2021 were for gross wages, fees and superannuation.

COVID-19

In relation to COVID-19 Zenith’s Board is mindful of the significant impact the virus is having on the community and is continuing to assess the potential risks associated with its activities. Zenith’s projects are in remote country areas or on grazing properties where Zenith’s crew are geographically isolated. The Company continues to act on advice provided by the Federal and State Governments with the health and safety of Zenith’s crew, contractors, and local stakeholders a priority. Zenith has in place a COVID-19 site health management plan and requires that all its field crews comply with the requirements of that plan. In addition, the Company is managing projects across state borders and is ensuring it complies with both Federal and State based travel and border restrictions by employing, where available local staff and using locally based contractors, consultants.

BACKGROUND ON GOLD-COPPER & ZINC PROJECTS

In addition to the Zenith Lithium Joint Venture the Company is focused on exploration & evaluation of 3 gold projects and 2 base metal projects in Australia.

Project highlights and activities for the quarter for Develin Creek, Earraheedy, Split Rocks and Red Mountain Projects are included in the preceding section of this report.



DEVELIN CREEK COPPER- ZINC PROJECT – Queensland (Zenith 100%)

Develin Creek Project Background

The Develin Creek project contains a VMS copper-zinc deposit with an Inferred Mineral Resource (JORC 2012) of: 2.57Mt @ 1.76% copper, 2.01% zinc, 0.24g/t gold and 9.6g/t silver (2.62% CuEq) released to ASX on 15-Feb-2015. A three rig drilling campaign commenced at Develin Creek in September 2021 to test copper-zinc targets at Wilsons North, Snook and four targets surrounding the existing Sulphide City JORC massive copper-zinc sulphide deposits (Figure 4; refer ASX Release 2-Sep-21).

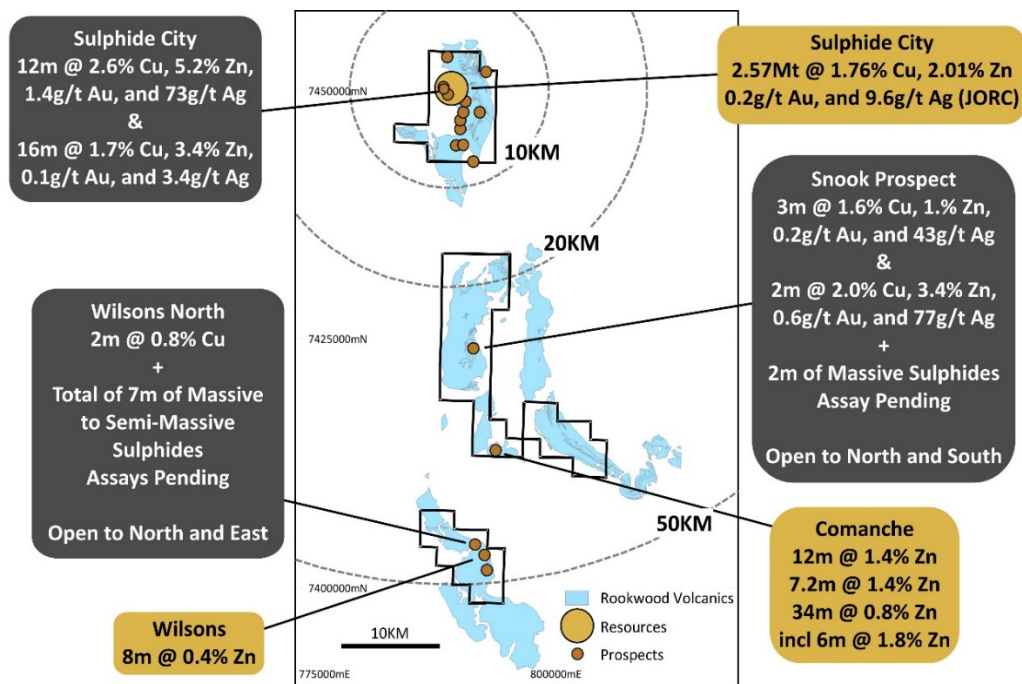


Figure 4: Develin Creek Project Outline and Areas Subject to Drill Testing in 2021

In addition, resource update drilling was also completed at the Sulphide City and Scorpion deposits where Zenith drilling returned strong massive copper-zinc sulphides in a twin hole program including (ASX Release 5-Jul-21), including:

- 34m @ 3.5% Cu+Zn, incl 10m @ 6.0% Cu+Zn, and
- 29m @ 3.5% Cu+Zn, incl 12.3m @ 6.7% Cu+Zn

This drilling program is part of a broader plan to build upon the existing JORC resource and add potential tonnage to the Develin Creek copper-zinc volcanogenic massive sulphide (VMS) inventory. 46 drill holes were completed in this 2021 program for a total of 6,148 metres. Assays are awaited for 9 holes (4 in Wilsons North, 3 in Snook and 2 in Sulphide City).

Snook

Drilling has continued to intersect additional massive copper-zinc sulphides at the Snook prospect (total 25 holes completed to date; assays are awaited for 3 holes) located 30km south of the existing JORC resources. Follow-up drilling has now extended the mineralised footprint to a length of 150 metres, with mineralisation remaining open along strike to the south (Figure 5). The last step-out drill hole (ZSRC022) completed at Snook this year, also intersected 2m of massive sulphide with assay results awaited. Mineralisation remains open with the target sequence extending along strike for multiple kilometres north to south.

In addition, assays for hole ZSRC017 returned high-tenor massive copper-zinc sulphide results of 2m @ 2.0% Cu, 3.4% Zn, 0.6% Pb, 77 g/t Ag and 0.6 g/t Au, with notable high levels of silver and gold (ASX Release 16-Dec-21).

A trial downhole electromagnetic geophysical program failed to provide a tool that can track the massive sulphides, so at this stage step-out drilling is being used as the sole method to track the massive sulphide mineralisation.

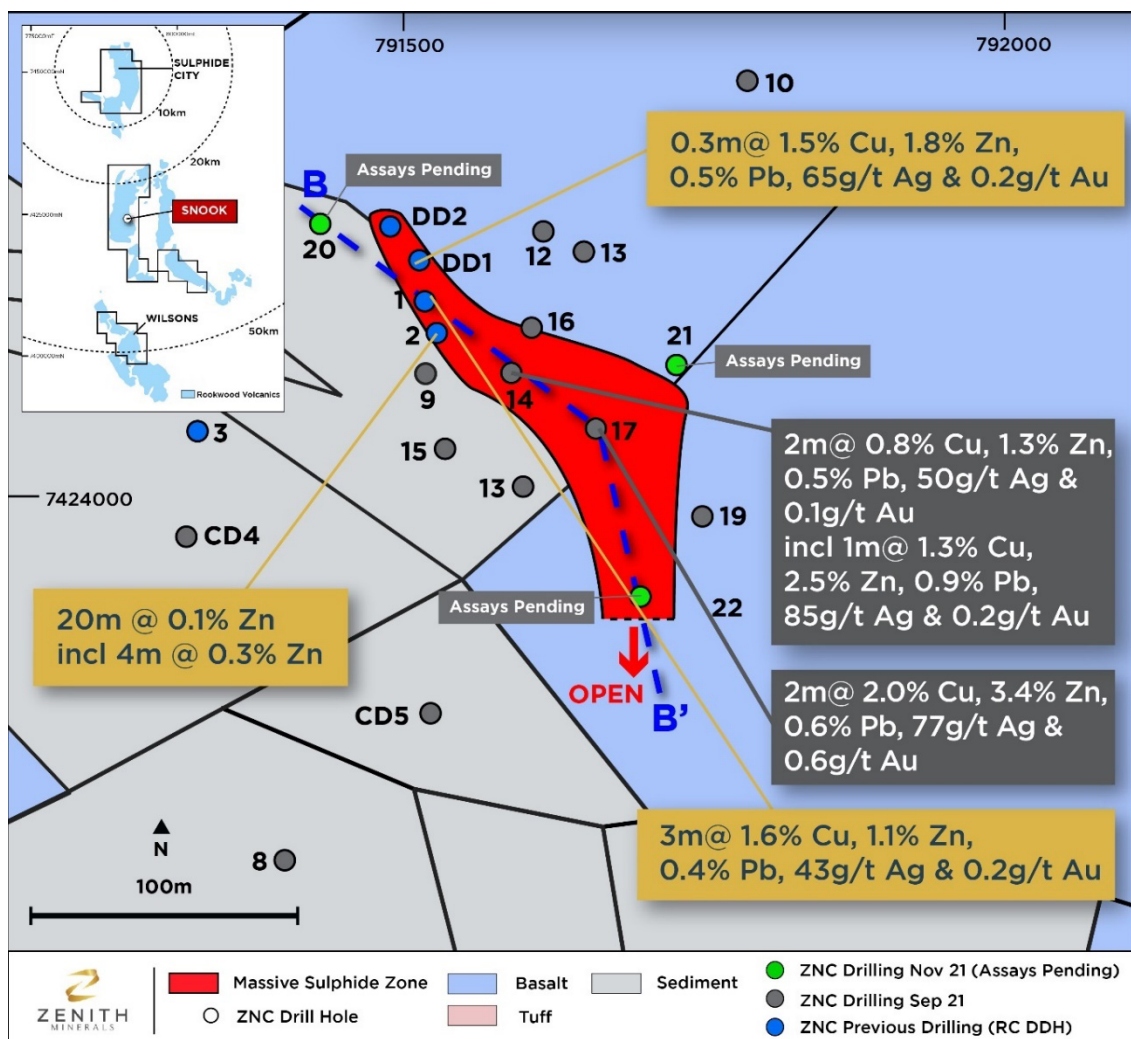


Figure 5: Snook Prospect – Drill Hole Location Map showing Significant Intersections

Wilsons North

Drilling was completed at Wilsons North, located 50km south of the existing JORC resources, to test geophysical and geochemical targets, with the program successfully intersecting a new zone of massive copper sulphide, returning 2m @ 0.8% copper from only 25m below surface (Figure 5). A total of 10 RC holes were completed with assays pending for 4 holes, 3 of which intersected a total of up to 7m of massive to semi-massive sulphides (ASX Release 16-Dec-21). Assays for all 4 holes are awaited.

Massive sulphides occur within a sequence of basalts and interflow sediments extending over a 1.5km long target zone (refer to Figure 6). Mineralisation remains open to the north and east, with further follow-up drilling now planned to be completed in 2022.

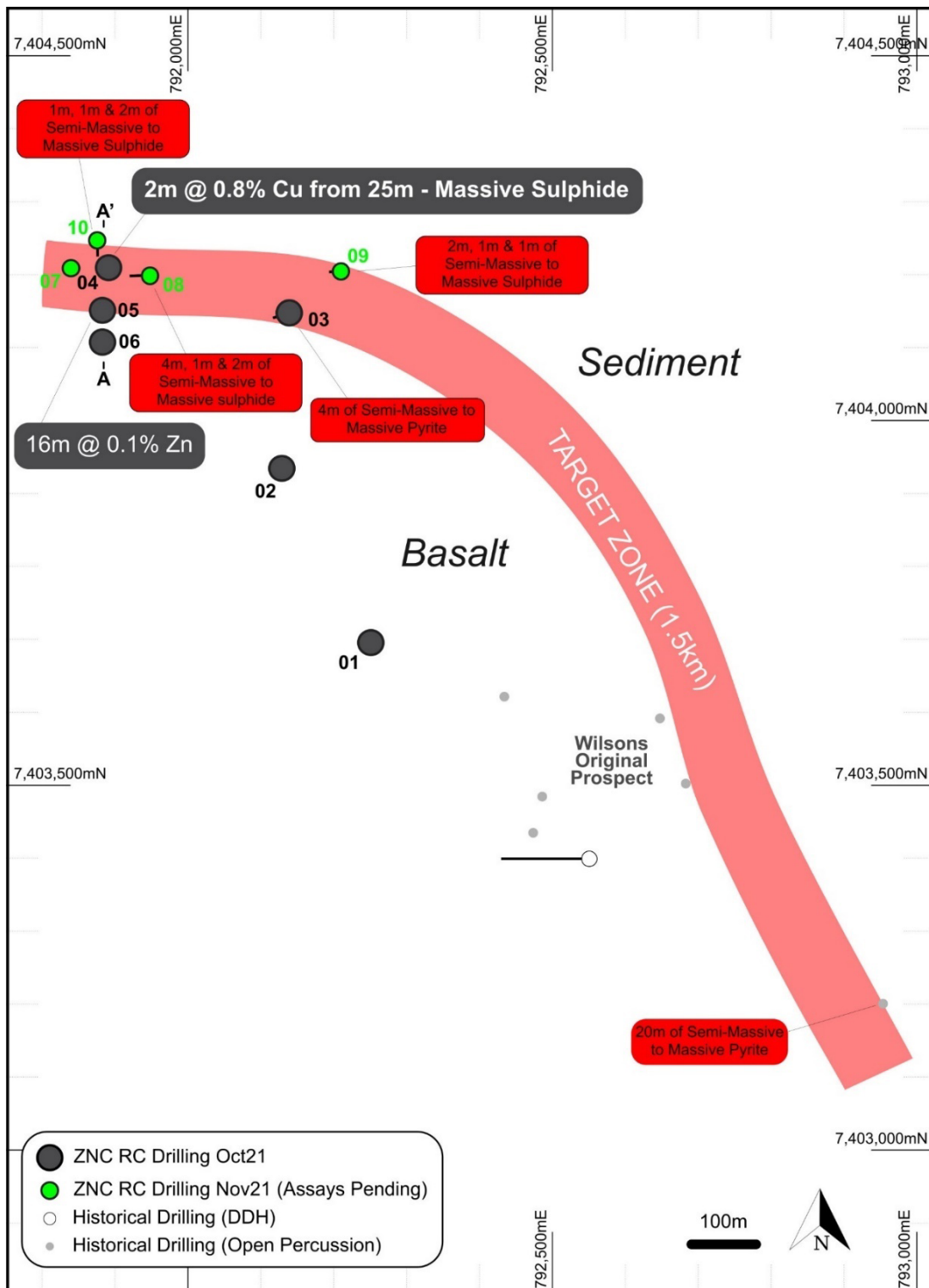


Figure 6: Wilsons North Prospect Map – Drill Hole Location and Significant Intersections

RED MOUNTAIN GOLD-SILVER PROJECT – Queensland (Zenith 100%)

Background on Red Mountain Gold Project

A zone of surface gold and silver mineralisation was discovered by Zenith at Red Mountain in SE Queensland, in a previously unrecognised felsic volcanic breccia complex comprising rhyolite radial dykes, rhyolite ring breccia as well as granite and gabbro breccias, first identified by Zenith's field team.

Highly encouraging gold and silver rock chip sample results up to 2.01 g/t gold and 52.5 g/t silver are supported by systematic geochemical sampling that outlined a large 2km by 1.5km zoned soil anomaly with peak soil gold result of 2.2 g/t Au, refer to ZNC ASX release 24-Sep-19.

Ongoing exploration activity at the 100% owned Red Mountain gold project located in Queensland (see ASX release 19-May-21) continues to provide highly encouraging high-grade gold drill assay results.

Drilling to date has outlined a discrete sub-vertical high-grade gold zone (Western Zone) to a vertical depth of 200m, with the zone remaining open at depth below hole ZRMDD044 where a wide zone of gold (88m @ 0.3 g/t Au from 223m to 311m) was intersected associated with rhyolite dykes.

Results are in addition to those previously announced for the Red Mountain project – Western Zone (ASX Releases 3-Aug-20 & 13-Oct-20, 9-Nov-20, 21-Jan-21, 13-May-21), including:

- 13m @ 8.0 g/t Au from surface, incl. 6m @ 16.7 g/t Au
- 15m @ 3.5 g/t Au, incl. 2m @ 22.4 g/t Au
- 12m @ 4.9 g/t Au, incl. 6m @ 9.4 g/t Au
- 5m @ 10.4 g/t Au, incl. 1m @ 49.9 g/t Au
- 5m @ 3.5 g/t Au & 54.3 g/t Ag
- 10m @ 2.7 g/t Au from surface, incl. 4m @ 4.9 g/t Au
- 7m @ 4.4 g/t Au

Strong silver (Ag) grades associated with gold mineralisation, include: 15m @ 0.4 g/t Au with 20.4 g/t Ag and 4m @ 0.5 g/t Au with 82.0 g/t Ag, 5m @ 3.5 g/t Au with 54.3 g/t Ag and 5m @ 0.3 g/t Au with 30.6 g/t Ag.

The Western Zone forms a NE plunging zone ~250m long on the northeast margin of the Red Mountain breccia pipe. High-grade gold mineralisation is associated with a stockwork of base metal (sphalerite-galena) stringer veins in altered diorite, granodiorite and granite on the margin of a rhyolite breccia.

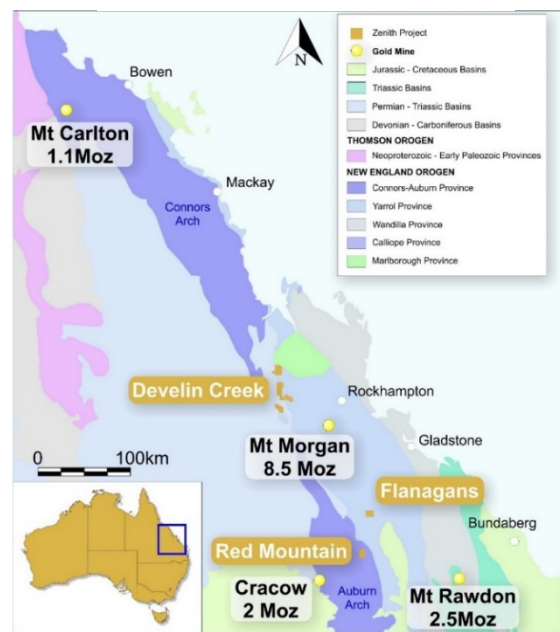
The Red Mountain project is located between two gold mines Cracow (Aeris Resources Limited (ASX:AUR) and Mount Rawdon (ASX:EVN). Cracow is a low-sulphidation epithermal gold deposit whilst Mount Rawdon is described in the literature as an epizonal intrusion-related gold deposit.

Mineralisation at Red Mountain is considered by Zenith to be analogous to known gold deposits in Queensland. Evidence includes a zoned system with geochemistry like that documented at third party owned Queensland gold deposits such as Mt Wright which is located 65km east of Charters Towers and the nearby Mount Rawdon Gold Mine. The Mt Wright gold deposit was exploited by Resolute Mining Limited as an underground operation, with mineralisation having a strike length of only 200m but vertical extent of over 1.2km.

Planned Program

Gold mineralisation (Western High-Grade Zone) remains open vertically below the current drilling and will be the focus of further planned step-out testing along with drill testing of the copper-gold core target discussed in the highlights section of this report.

Red Mountain – Location Map



SPLIT ROCKS GOLD PROJECT – Western Australia (Zenith 100%)

Background on Split Rocks Project - Gold

Zenith's Split Rocks project is located within the Southern Cross region in the Forrestania greenstone belt, approximately halfway between Perth and Kalgoorlie. Several very large current and formerly operated gold mines located north and south along strike from Zenith's project area attest to the regional gold endowment of this area (Figure 7).

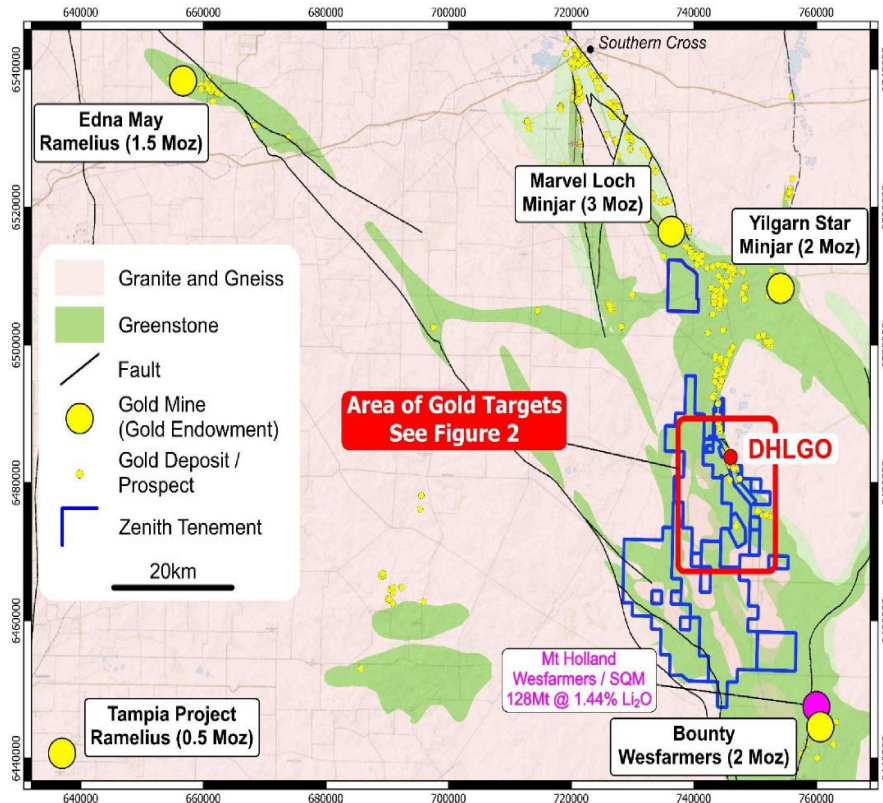


Figure 7: Figure 1- Split Rocks Project Location Map Showing Zenith tenements, Dulcie Heap Leach Gold Operation (DHLGO*) Prospect and Regional Gold Endowment. (*Gold rights below 6m subject to option agreement).

A major targeting exercise by the Company's geological team identified 18 high-quality gold drill targets at Split Rocks, in the north-eastern sector of the Company's project area (ZNC ASX Release 2-Sept-20).

Drilling to date has tested 14 targets with outstanding results returned to date at 6 prospects (ASX Releases 5-Aug-20, 2-Sep-20, 19-Oct-20, 28-Oct-20, 15-Jan-21, 11-Mar-21, 21-Apr-21, 24-Jun-21, 13-Jul-21, 30-Sep-21, 16-Jan-22):

- 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
 - 3m @ 17.9 g/t Au
- Estrela Prospect: 2m @ 9.8 g/t Au
- Dulcie Far North: 5m @ 5.6 g/t Au incl. 4m @ 6.8 g/t Au, 4m @ 10.2 g/t Au
- Water Bore: 3m @ 6.6 g/t Au
- Scott's Grey: 8m @ 4.1 g/t Au, 12m @ 1.7 g/t Au

Infill and extensional slimline RC/aircore drilling (150 holes) was completed during the quarter at Dulcie Far North, Dulcie North, Scott's Grey, British Hills East and Water Bore with assay results awaited for the latter 4

prospects. New results from Dulcie Far North, one of 6 prospects drill tested in the program, show continuity of gold mineralised trends in the near surface, over a strike of approximately 1km north-south (Figure 8).

Planned Programs

RC drilling on the significant near surface gold results at the 4 Dulcie targets, Dulcie Laterite Pit, Dulcie North, Dulcie Far North & Water Bore are planned with a rig booked to commence drilling in mid-February 2022.

Note Zenith retains gold rights at Dulcie Far North, Dulcie North, Dulcie Laterite Pit Zone and Scott's Grey below 6m, subject to the Dulcie option agreement (refer to ASX Release 21-Mar-19).

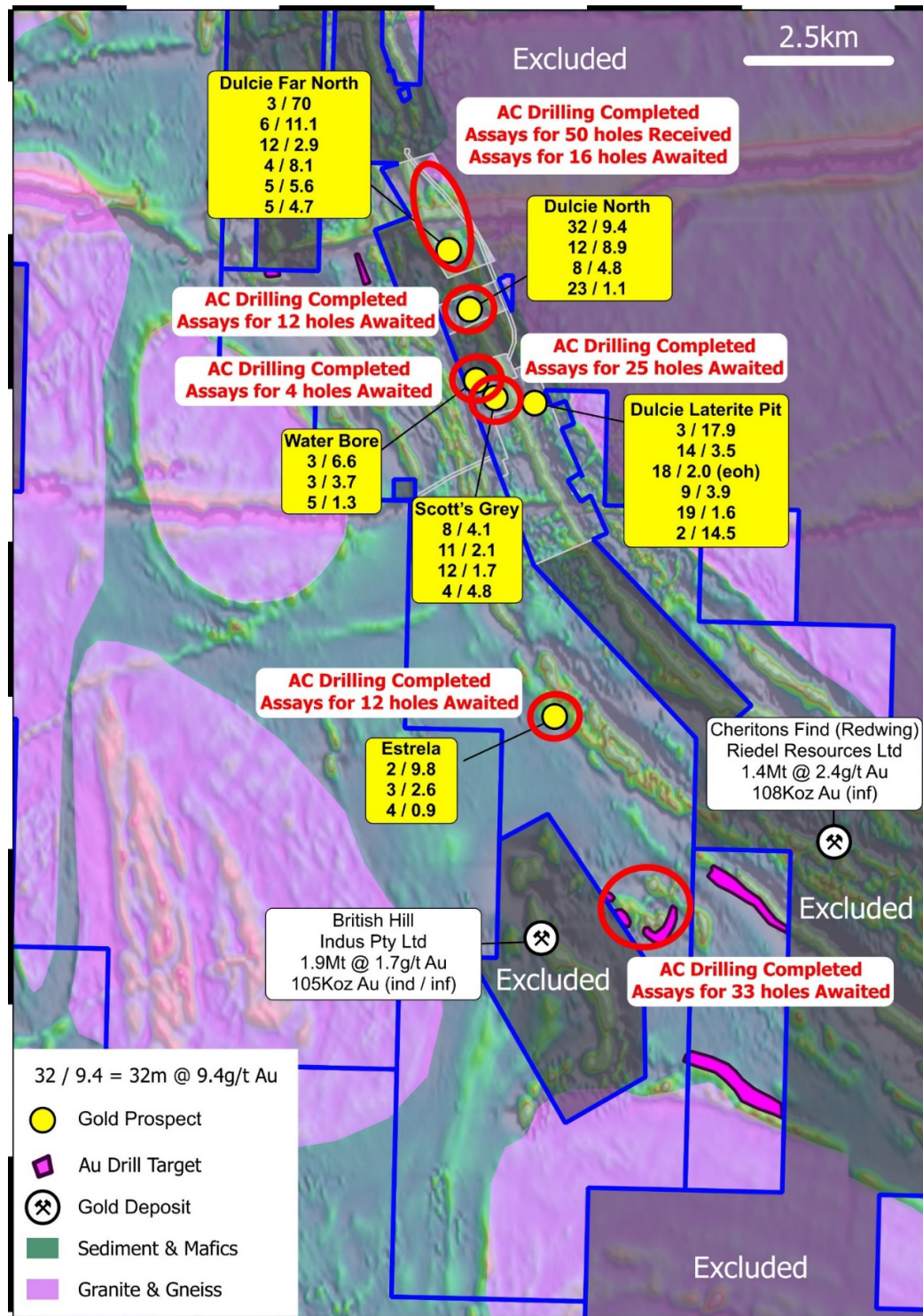


Figure 8: Split Rocks Project Gold Targets and Significant RC - Aircore Drill Results (yellow captions) showing gold drill targets, and areas of Planned Drilling

PARTNERED PROJECTS

The Company has continued to implement its strategy of being an exploration project generator. Projects are either advanced by the Company's experienced team applying innovative exploration techniques or by partners which have the technical and financial capability, depending on how the Board believes shareholders' best interests are served.

Current joint ventures where partners are funding exploration include:

- Waratah Well and Split Rocks – Lithium (EVM Metals Group (Announced post quarter end –
- Earraheedy Zinc – Australia (Rumble ASX:RTR)
- Kavaklitepe Gold - Turkey

Increased Spending
Increasing Chance of Success
Sharing Risk



EARAHEEDY ZINC PROJECT – WA (Zenith 25% free carry to end BFS, ASX: RTR 75%)

Activities During the Quarter

The 2021 drilling program was expanded to over 50,000m, primarily to further drill and scope the new Tonka discovery zone (ASX Release 13-Dec-21 & 21-Dec-22). Late Dec-21 results for a further ninety (90) holes for 13,959 metres were reported on with assay results returned for 28,144m of drilling (approximately 56% of the planned 2021 drilling campaign) as detailed in the highlights sections of this report.

Remaining assay results from the 2021 drilling program are expected by February-March 2022.

Earraheedy Project Background

The Earraheedy project is located approximately 110km north of Wiluna, Western Australia. The project area covers the inferred unconformity contact between the overlying Frere Iron Formation and underlying Yelma Formation of the Palaeoproterozoic Earraheedy Basin. Zn-Pb-Ag mineralisation occurs at two prospects located approximately 10km apart, Chinook and Magazine. Mineralisation is hosted within near flat lying siltstone, shale, marl and minor sandstone.

The new drilling results have allowed the RTR team to formulate an initial interpretation of a new sedimentary exhalative (SEDEX) variant geological model for the Earraheedy project. SEDEX deposits are host to some of the largest zinc accumulations worldwide. The revised model will greatly assist in the exploration and deposit delineation process moving forward.

Earraheedy Joint Venture

Zenith Minerals Ltd (ASX: ZNC) owns a 25% free carried interest in the EJV whilst Rumble owns 75%. The project area (E69/3464) covers the inferred unconformity contact between the overlying Frere Iron Formation and underlying Yelma Formation of the Palaeoproterozoic Earraheedy Basin.

In April 2021 the EJV partners each announced a major Zinc-Lead Discovery with 'Tier 1' potential at the Earraheedy Project (refer ASX Release 19-Apr-21) and followed this up announcing a Large Sedex Style System Emerging at the Earraheedy Project (ASX Release 25-May-21). There are 2 main prospects within the EJV, Chinook and Magazine lie 12km apart and are now joined by mineralisation at Tonka, Navajoh and in a feeder Fault below Chinook mineralisation. Within the broader region, Zenith in its own right controls 100km of prospective mineralised strike which also has the potential to contain multiple large tonnage Zn – Pb deposits.

Exploration Target

RTR's Zn-Pb Exploration Target for the Earaaheedy Project is between 100 to 120 million tonnes at a grade ranging between 3.5% Zn-Pb to 4.5% Zn-Pb. The Exploration Target is at a shallow depth (80m), and over 40kms of prospective strike (completely open) has been defined within the Earaaheedy Project (RTR ASX Release 8-Jul-21).

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target, being conceptual in nature, takes no account of geological complexity, possible mining method or metallurgical recovery factors.

The Exploration Target has been estimated to provide an assessment of the potential for large-scale Zn-Pb deposits within the Earaaheedy Project. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

Earaaheedy Zn-Pb Project – Exploration Target		
Range	Tonnes	Grade
High	120,000,000	4.5% Zn+Pb
Low	100,000,000	3.5% Zn+Pb

Table 1: Near Surface Exploration target surface to 100 metres vertical depth

The Exploration Target is based on the current geological understanding of the mineralisation geometry, continuity of mineralisation and regional geology. This understanding is provided by an extensive drill hole database, regional mapping, coupled with understanding of the host stratigraphic sequence and a feasibility study completed at the nearby Paroo Pb deposit. Included in the data on which this exploration target has been prepared is recent RC drilling of 17 holes for approximately 2,500m (RC/Diamond) (assays returned for 4 and 13 holes assays pending), 30 holes for 2,690m (three RC stages), 33 holes for 3,593m recently completed and diamond drilling of 4 holes for 1,199.8m completed by Rumble along with 64 historic RC drill holes completed within the project area (E69/3464) by previous explorers (refer historical exploration results in previous RTR ASX announcements dated 5-Feb-19 and 12-Oct-17, 23-January-20 which continue to apply and have not materially changed).

Some of the considerations in respect of the estimation of the exploration target include:

- Drilling results have demonstrated strong continuity of shallow, flat lying mineralisation
- Over 40km's of prospective strike and open
- Minimum 600m of width (based on shallow 7.5° and shallow depth to 120m, based on drilling results.
- True width (thickness) of mineralisation up to 52 metres received in drilling results, and
- Specific gravity (SG) of 2.5 (world average SG of sandstone – not accounting for metal).

RTR intends to test the Exploration Target with drilling that is expected to extend over a 12-month period. Grade ranges have been either estimated or assigned from lower and upper grades of mineralisation received in drilling results. A classification is not applicable for an Exploration Target.

COWARRA GOLD PROJECT – New South Wales (Zenith 22.3%, earning up to 47%)

Activities During the Quarter

Drilling application funding under Round 4 of the NSW Government New Frontiers Cooperative Drilling grants program has been assessed by an expert panel and Cowarra was selected as a preferred application.

NSW Government - Mining, Exploration and Geoscience has offered Oxley Resources a drilling grant amount of \$140,000 for the Cowarra Gold project. Drill permitting is in progress with the planned program to commence in the first quarter 2022.

Zenith has an option to provide staged funding to the Cowarra Project owner Oxley Resources Limited. On 24-Sep-21 the Company completed Stage 1 investment of \$140k into Oxley and post quarter end (11-Jan-22) completed a further subscription in Oxley of \$70k, taking its current equity to 22.3%. In addition, the Company has agreed with Oxley that it may subscribe for new, or offer to purchase existing Oxley shares (to the value of \$750k at ZNC's sole election) such that its total holdings could increase to 47% of Oxley. Refer to ZNC ASX Release 13-May-21 for background on the transaction.

Cowarra Project Background

The Cowarra gold project is located between Canberra and Cooma and consists of one granted exploration licence and comprises multiple gold zones hosted in Lachlan Orogenic Belt sedimentary rocks associated with gold mineralised strike extensive shear zones. Host rocks and structural setting are like that of some of the major Victorian gold deposits.

Previous drilling results from the Cowarra-Victoria gold deposit include:

- 35m @ 2.3 g/t Au from 23m depth in CRC001
- 15m @ 4.2 g/t Au from 57m depth in CRC022

A walk-up staged drill program is planned to test the Victoria gold deposit for both open-pit and underground potential. Initial program of 7 x 100m depth holes to validate previous work and to define a shallow gold mineral resource. In addition, there is significant upside below the existing shallowly drilled prospects and targets.

Multiple regional prospects and targets extend for over 8km of strike around the Victoria gold deposit with rock chip sampling up to 23 g/t Au and previous drill results providing significant project upside, including:

- Democrat Prospect
 - 4m @ 10.5 g/t Au in CRC029
 - 12m @ 1.9 g/t Au in CRC013
- Ambassador Prospect
 - 8.1m @ 4.3 g/t Au in 10CWD-A1
 - 1m @ 12.0 g/t Au & 5m @ 3.0 g/t Au in CWD101
- Vanderbilt Prospect
 - 5m @ 4.2 g/t Au in CRC014

JMT Target – 75 rock samples over 1km of strike, average 6.1 g/t Au, no drilling to date.

Cowarra gold project on NSW State Lands set aside for minerals, permitting for drilling is well advanced, with drilling anticipated to commence in the third quarter of 2021.

The Cowarra gold project was previously mined by BHP in the 1930's and later Horizon Pacific in the 1980's with average run-of mine grades between 6 – 8 g/t Au with gold recovered by an industry standard carbon in leach (CIL) on site processing plant.

Gold mineralisation at Cowarra extends over some 8km within the granted EL with soil and rock chip anomalies requiring follow-up (Figure 9).

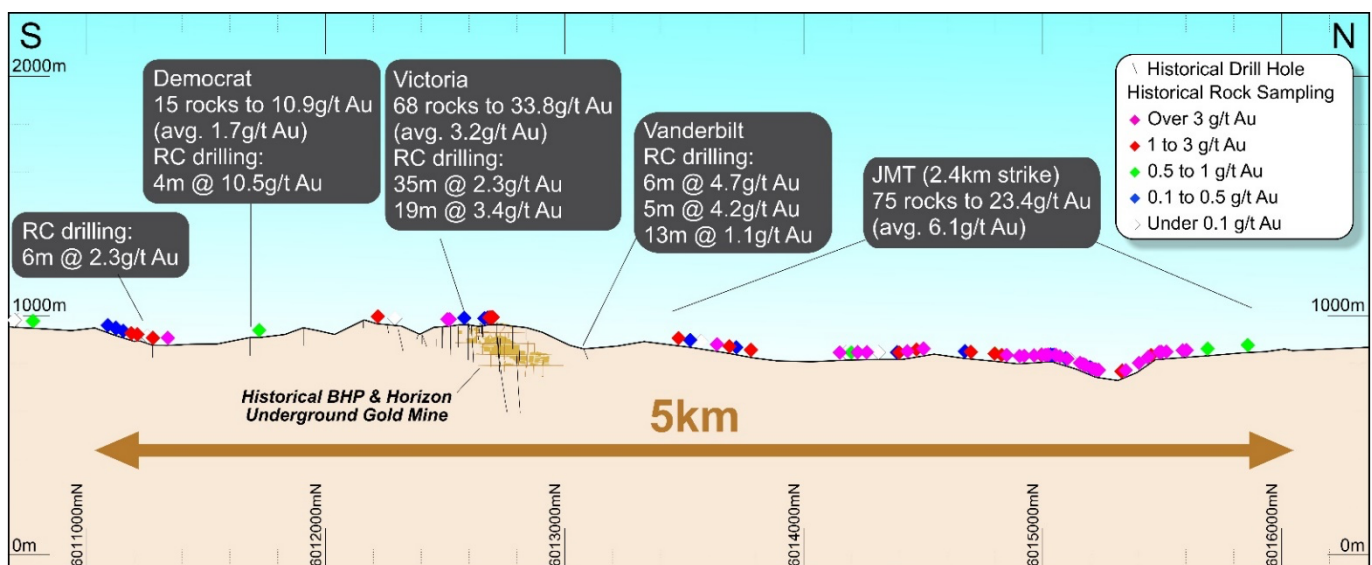


Figure 9: Long Section of the Cowarra Gold Project – Democrat Prospect to JMT Prospect through Victoria Mine with Significant Drill and Rock Sample Gold Results

KAVAKLITEPE GOLD PROJECT – TURKEY (ZENITH ~20%)

The Company is seeking to divest its share of the Kavaklitepe gold project.

Background on Kavaklitepe Gold Project

Exploration and evaluation of the Kavaklitepe gold project is managed by Teck Anadolu Madencilik Sanayi v. Ticaret A.S. (“Teck”), a Turkish affiliate of Teck Resources Limited (Teck). During the quarter Teck advised that it was in the process of divesting its share of Kavaklitepe to a Turkish mining company.

Drilling to date on two prospect areas has returned encouraging results.

Kuzey Zone drill intersections include:

- 20m @ 15.6 g/t Au,
- 16m @ 4.7 g/t Au,
- 21m @ 3.29 g/t Au,
- 14m @ 6.09 g/t Au,
- 16m @ 4.7 g/t Au, and
- 7.8m @ 7.3g/t Au

Continuous Kuzey Zone surface rock chip results include:

- 54m @ 3.33 g/t Au,
- 10m @ 12.2 g/t Au,
- 44m @ 3.37 g/t Au,
- 15m @ 10.1 g/t Au and 6.5m @ 5.18 g/t Au.

In addition, Discovery Zone drill results include: 8.0m @ 1.2 g/t Au and 8.0m @ 1.26 g/t Au.

VIVASH GORGE IRON PROJECT – WA (ZENITH 100%)

The Company is reviewing the potential of this project and has identified a new high-grade near surface iron ore target.

INVESTMENTS

The Company holds investments in various listed entities because of project-based transactions. These include:

- Bradda Head Holdings Limited (LON:BHL) 43.9M shares – refer to ASX Release 20-Jul-21 for details
- Rumble Resources Limited (ASX:RTR) 3.8M shares
- American Rare Earths Limited (ASX:ARR) 2.5M shares
- NickelX Limited (ASX:NKL) 0.5M shares

SUMMARY OF EXPLORATION EXPENDITURE

In accordance with Listing Rule 5.3.1, the Company reports that there was \$1,255k exploration expenditure incurred during the December quarter.

NEW OPPORTUNITIES & DIVESTMENTS

The Company advises that it is currently in ongoing and incomplete negotiations in connection with several potential project acquisitions and disposals. This remains an essential generative value process. Project generation is a core skill of the Company. This work has included assessment of various 3rd party lithium and gold properties in Australia.

Divestments

The Company announced that it has signed a binding heads of agreement with unrelated unlisted public company Bindi Metals Limited (Bindi) for the sale of the non-core Flanagans copper-gold tenement in Queensland for \$450,000 (ASX Release 23-Jun-21).

The sale is conditional on the successful listing via an initial public offering (IPO) of Bindi on the Australian Securities Exchange (ASX) before 31 March 2022 (previously 28-Feb-22) and other regulatory approvals. Upon completion

Zenith will receive \$180,000 cash and IPO shares valued at \$250,000. Shares to be issued to Zenith are likely to be subject to escrow.

Other potential divestments include:

- Kavaklitepe gold project in Turkey.
- Jackadgery gold project in New South Wales and the Vivash Gorge iron ore project in Western Australia.

The Company will provide appropriate disclosure should negotiations and agreements be completed, and or new tenure be granted.

TENEMENT INTERESTS

Changes in tenements	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
Interests in mining tenements and petroleum tenements acquired or increased	E38/3620 E69/3872 E69/3886 E69/3887 E59/2622 E59/2623 E59/2624	Exploration Licences	nil	100%

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Zenith Exploration Results and Exploration Targets is based on information compiled by Mr Michael Clifford, who is a Member of the Australian Institute of Geoscientists and an employee of Zenith. 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.

The information in this Report that relates to in-situ Mineral Resources at the Develin Creek project is based on information compiled by Ms Fleur Muller an employee of Geostat Services Pty Ltd. Ms Muller takes overall responsibility for the Report. She is a Member of the AusIMM and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity she is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). Ms Muller consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Authorised for release by the Zenith Minerals Limited Board of Directors

28th January 2022

For further information contact:

Zenith Minerals Limited

Director - Mick Clifford

E: mick@zenithminerals.com.au

Phone +61 8 9226 1110

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Zenith Minerals Limited

ABN

96 119 397 938

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	20	42
1.2	Payments for		
	(a) exploration & evaluation (see Note to 1.2(a))	(1,255)	(1,962)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(283)	(518)
	(e) administration and corporate costs	(306)	(615)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST)	(21)	(42)
1.9	Net cash from / (used in) operating activities	(1,844)	(3,093)

Note to 1.2(a) – For the quarter ended 31 December 2021, \$1,255 (rounded \$A'000) of the exploration & evaluation expenditure at 1.2(a) has been capitalised and its inclusion at 1.2(a) is to maintain consistency with Zenith Minerals Limited reporting in its Financial Report pursuant to the Australian Accounting Standard AASB 6 and AASB 107.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	(140)
	(f) other non-current assets	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	10	58
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	10	(82)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	124	6,124
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(348)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of lease liability	-	-
3.10	Net cash from / (used in) financing activities	124	5,776

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,158	1,847
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,844)	(3,093)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	10	(82)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	124	5,776

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,448	4,448

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,433	6,143
5.2 Call deposits	15	15
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,448	6,158

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	248
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><i>Director fees and salaries \$248,250</i></p>	

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	15	-
7.4	Total financing facilities	15	-
7.5	Unused financing facilities available at quarter end		15
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Credit Card Facility with ANZ Bank which is secured by a term deposit with a right of set off to the total limit of the credit card facility.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,844)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,844)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,448
8.5	Unused finance facilities available at quarter end (item 7.5)	15
8.6	Total available funding (item 8.4 + item 8.5)	4,463
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.4
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2022.....

Authorised by: **By the Board**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.