

ASX RELEASE

14 February 2022

ZULEIKA TO EMBARK ON MAJOR EXPANSIONARY DRILLING PROGRAMS ON IT'S KALGOORLIE GOLD PROJECTS

Further ~20,000m drill program to commence focusing on newly defined exploration targets generated from positive drilling results in 2021.

Zuleika Gold Limited (**Zuleika Gold, ZAG or Company**) (ASX:ZAG) is pleased to report that it will recommence its drilling activities this month following on from extensive exploration completed in 2021 and focusing on newly defined exploration targets.

ISSUED CAPITAL

Ordinary shares: 413 093 373

Market Capitalisation: ~\$17M

Cash: \$2.3M

DIRECTORS

Ms Annie Guo

Managing Director

Mr Graeme Purcell

Non-Executive Director

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Non-Executive Director

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- During 2021, the Company drilled 23,370m, comprising 18,246m of aircore (AC) and 5,124m of reverse circulation (RC) drilling, primarily testing targets within the Zuleika and Credo Projects.
- The Company's 2022 plan is to complete a further ~20,000m of RC and AC drilling programs to advance exploration on the Zuleika Shear Project, together with testing new prospect areas generated from prior drilling and early-stage reconnaissance exploration.
- Drilling will initially focus on the Breakaway Dam, Browns Dam, Little T and Carnage Shear Prospects with 5,500m of AC and RC drilling.
- A further ~4,500m of AC drilling is to be completed at the Menzies and Goongarrie Projects.
- An additional ~5,000m of drilling is planned at the Paradigm East Prospect and the Credo Project, subject to results from drilling completed in late 2021.
- A further ~5,000m of drilling new targets is planned following receiving and analysing all assay results from its extensive surface geochemistry programs completed in 2021. Exploration programs to be designed for newly granted tenements covering the Zuleika and Carnage Shear Zones.
- The Company is well-financed to complete the planned systematic exploration of its highly prospective Projects with a \$3m subscription agreement entered with prominent West Australian prospector and investor, Mr Mark Creasy.

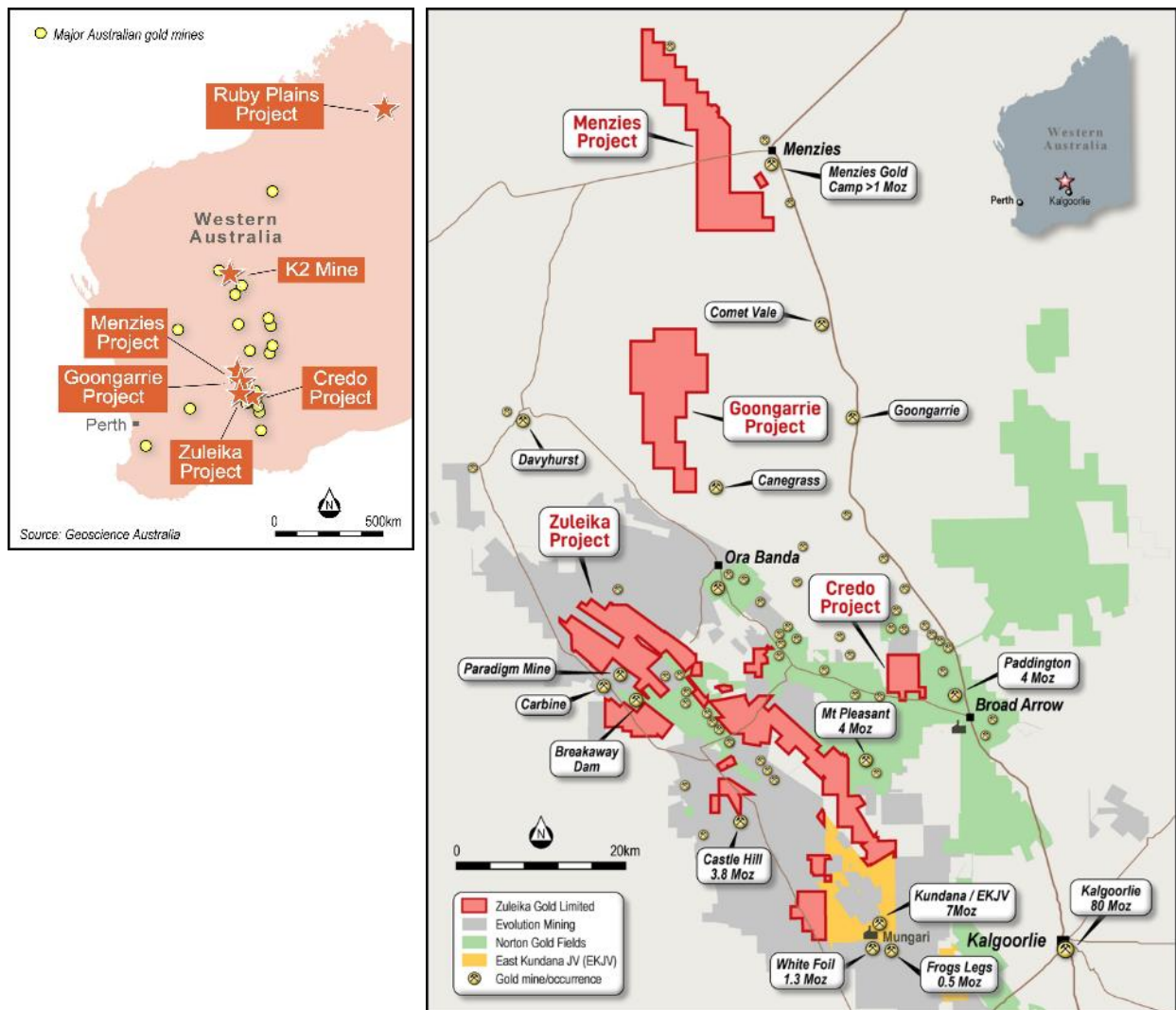


Figure 1 - Zuleika Gold's tenement portfolio in Western Australia. Inset Kalgoorlie / Menzies Projects

Overview

The Company's flagship Zuleika Gold Project sits within the gold rich Kundana - Ora Banda district of the Kalgoorlie Goldfield and consists of an extensive land holding of 223km² (Figure 1). The Project is positioned along significant regional structures within highly prospective stratigraphy which has been the host to more than 20 million ounces of gold production over the last 30 years (Figure 2).

During 2021 the Company advanced its targeted drilling programs and to date has drilled 23,370m, including 18,246m of aircore (AC) and 5,124m of reverse circulation (RC) drilling. The drilling tested targets at the Paradigm East, Browns Dam, Breakaway Dam, Little T and Carnage Prospects and the Credo Project (Figure 2).

The Company will complete this program in 2022, initially with ~5,500m planned to follow up the significant results achieved during 2021 at Breakaway Dam, Brown's Dam and the Little T Prospects and further AC drilling to be completed on the Carnage Shear and the Menzies Project.

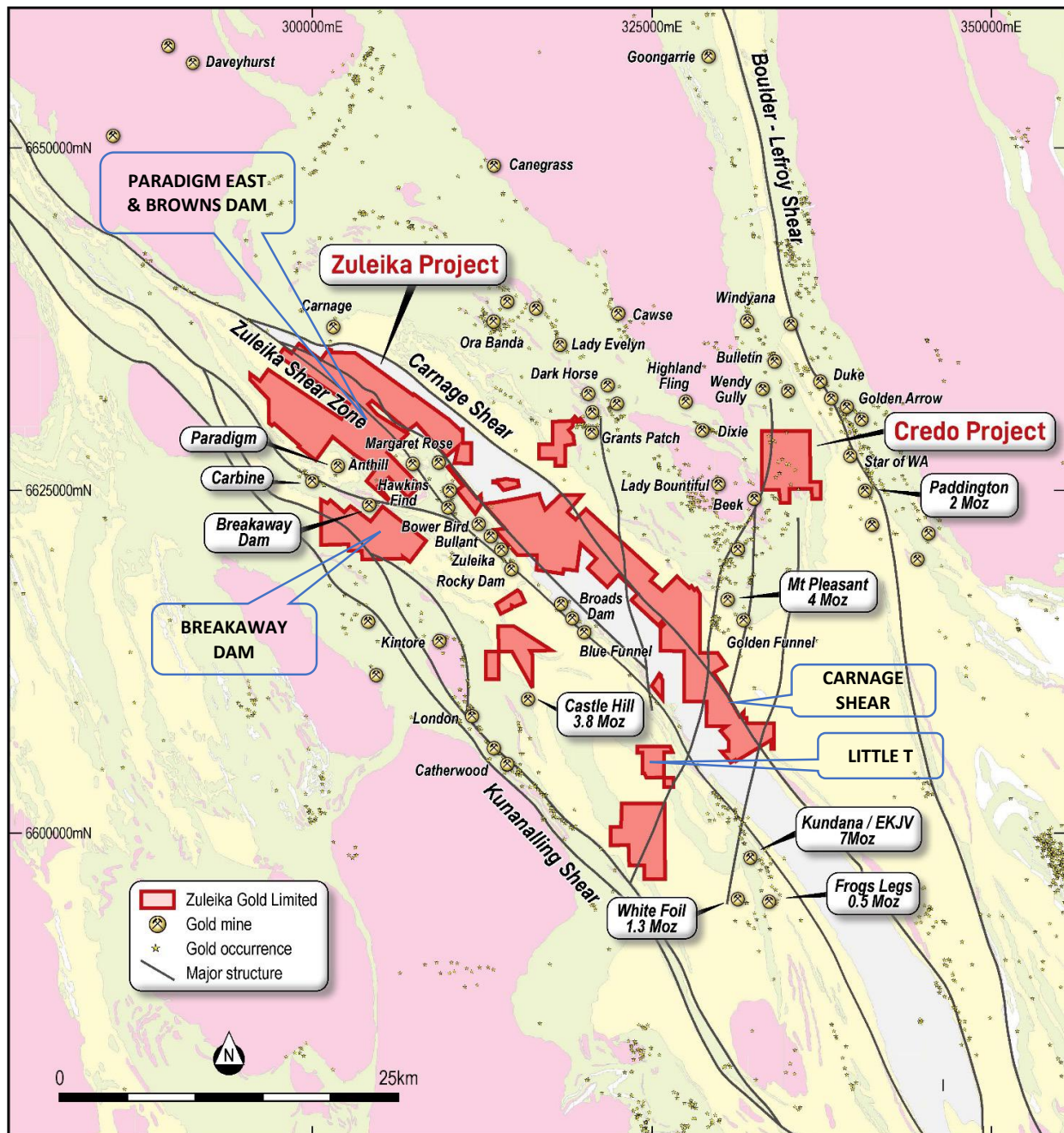


Figure 2 – Location of the Zuleika and Credo Projects along major gold fertile shear zones.

Initial 2022 Drill Program

Breakaway Dam Prospect

A first pass AC drilling program was designed to test historic drill results, lithologies and structures. A total of 101 holes for 5,479m was completed during 2021. Best intercepts from the composite samples include:

- **4m @ 4.3 g/t Au from a 4m composite in DBAAC0069 within 10m @ 2.1 g/t Au** (ZAG ASX Ann 15/09/2021).

- **4m @ 1.52 g/t Au from 31m, including 1m @ 4.05 g/t Au at 31m in DBAAC099 (ZAG ASX Ann 31/01/2022).**

Best intercepts from 1m re-splits include (ZAG ASX Ann 31/01/2022):

- **11m @1.3 g/t Au from 40m, including 3m @ 3.33 g/t Au from 40m, including 1m @ 7.16 g/t Au at 40m in DBAAC069.**
- **7m @1.17 g/t Au from 40m, including 1m @6.33 g/t Au at 40m in DBAAC039.**

Results were generally from the supergene zones with >24 of the holes intersecting greater than 0.1 g/t Au, indicating a broad gold system is present (Figure 3).

Initial interpretation of results from Zuleika Gold's AC drilling displays the potential for multiple mineralised surfaces coincident with north-northeast trending structures (Figure 3).

A follow-up campaign consisting of 21 AC holes for ~1,300m has been designed to confirm and extend the mineralised trend at Breakaway Dam (Figure 3). Additionally, two RC holes for 280m will be drilled underneath hole DBAAC069 to test the continuity of the high-grade gold mineralisation into fresh bedrock.

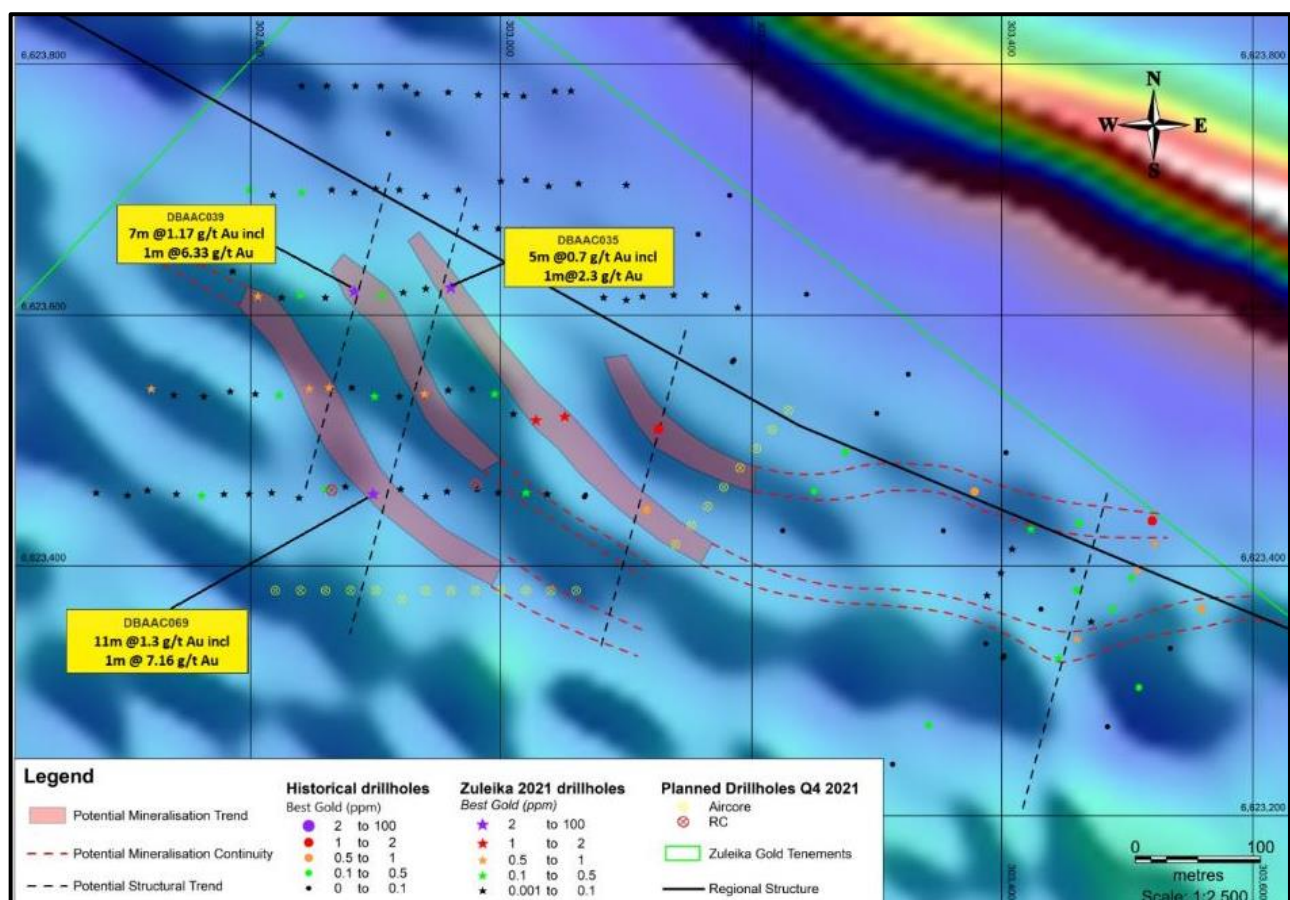


Figure 3 - Breakaway Dam AC results on 1VD Magnetics showing interpreted mineralised surfaces and planned follow-up AC and RC drilling.

Browns Dam Prospect

During 2020, the Company announced results from its initial AC drilling at Browns Dam that were designed to test the Company's interpretation of the geophysics which had identified several complex structural zones and potential flexures along the main Zuleika Shear. Best intercepts within the 4m composite sampling of this program were;

- **5m of 3.1 g/t Au** from 38m including **1m @ 6.60 g/t Au** from 42m
- **1m @ 5.23 g/t Au** from 39m in DBDAC0026 and **2m of 0.85 g/t Au** and **4m of 0.68 g/t Au** from 51m, including **17m of 0.33 g/t Au** from 40m in DBDAC0027 (Figure 4).

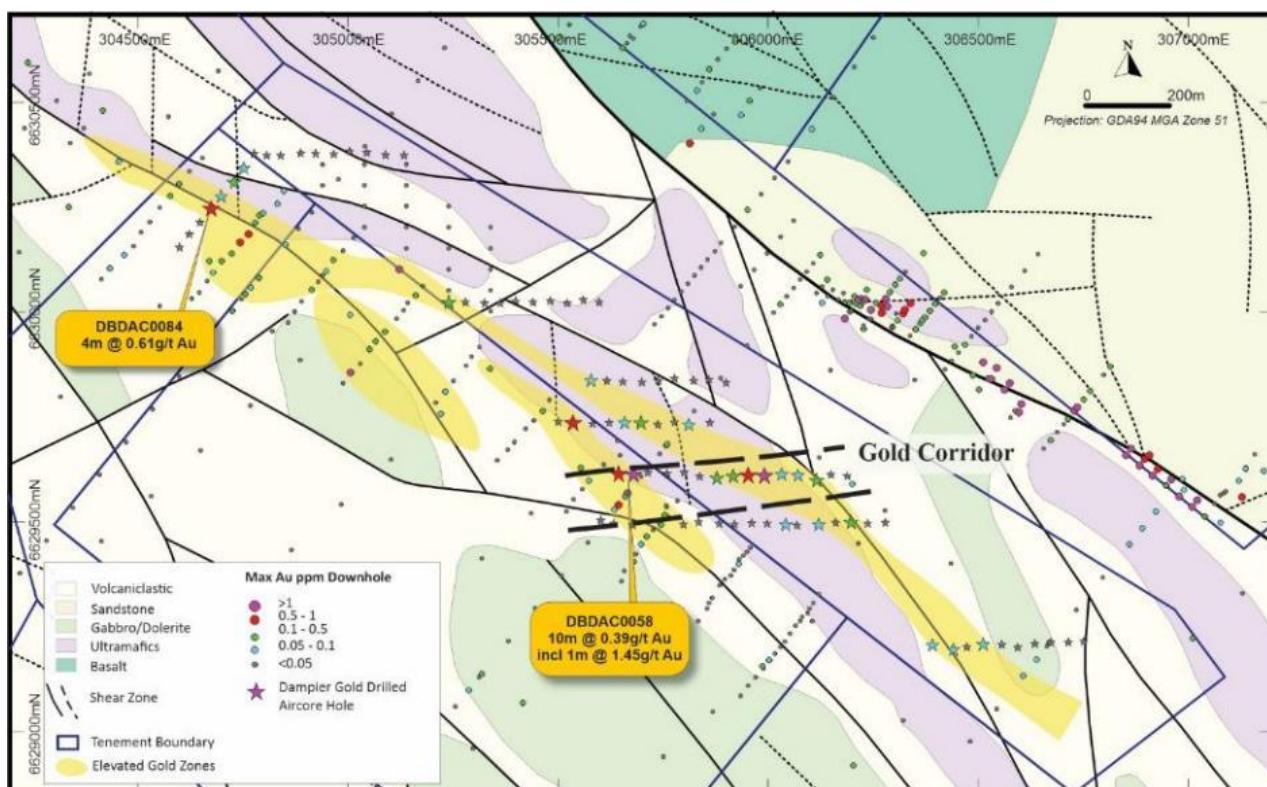


Figure 4, Browns Dam 2021 aircore results on geology

A follow-up drilling campaign at Browns Dam during 2021 included 47 AC holes drilled for 2,979m. This drilling intersected mafic and ultramafic bedrock lithologies as well as quartz veining and alteration. The results provided best intercepts of:

- **10m @ 0.39 g/t Au** from 36m including **1m @ 1.45 g/t Au** in DBDAC058, finishing in the mineralisation (Figure 4).
- **8m @ 0.47 g/t Au** from 36m in DBDAC057
- **4m @ 0.50 g/t Au** from 36m in DBDAC063
- **4m @ 0.61 g/t Au** from 44m in DBDAC084

These results were consistent with the previously identified broad zones of gold mineralisation and have highlighted a potential east-west trending gold corridor.

A follow-up campaign will consist of 280m of RC drilling below hole DBAAC0026 to test the continuity of the high-grade gold mineralisation into fresh bedrock.

Little T Prospect

During the June quarter of 2021, a first pass 28-hole AC drilling program for 725m was completed on the Little T Prospect, located just 4 km northwest of the East Kundana Joint Venture Mining Area. Three traverses across prominent magnetic features were designed to test the bedrock lithology and geochemistry (Figure 5).

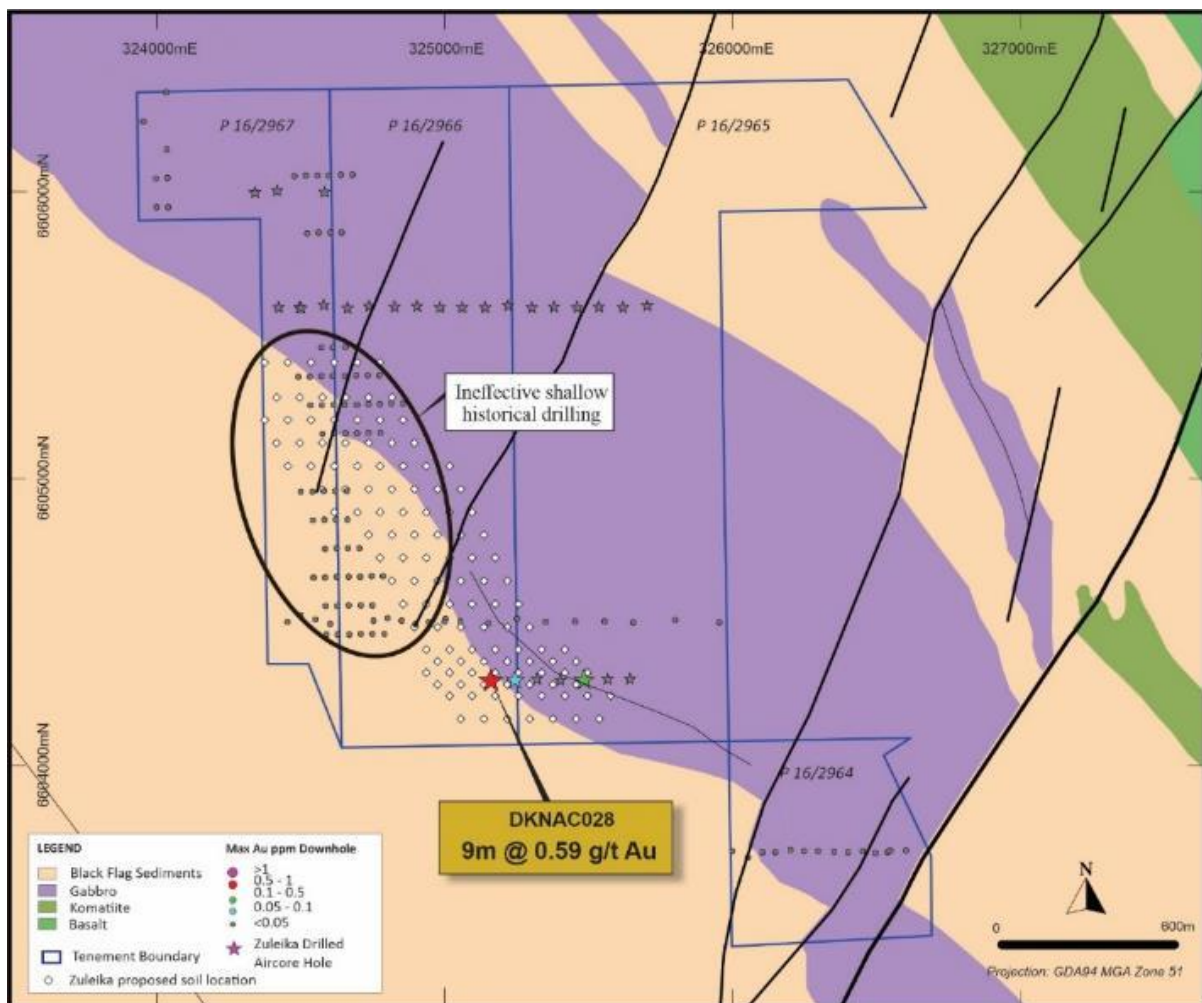


Figure 5 - Little T Stage 1, 2021 AC results and completed soil program

Best results of the campaign returned 9m @ 0.59 g/t Au from 24m in DKNAC028, finishing in mineralisation (Figure 5). This intersection is spatially associated with a lithological contact and potential gold bearing fluid conduits between gabbro units to the east and sediments of the Black Flag Beds to the west.

Zuleika Gold then completed an orientation soil sampling program on a staggered 80m x 80m grid to further test the lithological contact and also test an area to the north where ineffective historical holes were drilled in the 1980's. Results from this program are expected soon.

In late 2021, the Company drilled 10 AC holes for 406m to partially complete a program testing the anomalism identified in DKNAC028. Drilling encountered locally difficult ground conditions and the program was temporarily suspended. A further 11 holes for 500m will be drilled to complete the planned program.

Carnage Shear Prospect

During 2021, an initial 20-hole AC drilling program for 1,133m was completed to test prospective lithologies of the Black Flag Beds along the Carnage Shear, a major structure sub-parallel and contemporaneous with the gold rich Zuleika Shear. This area has had limited exploration and holes were drilled on an initial wide spacing, attempting to identify lithological boundaries and structures where significant gold mineralising fluids have passed through.

Results show a complex geological regime providing good rheological contrasts and lithostructural positions which will be targeted for further exploration. An encouraging result of **4m @ 0.38g/t Au from 16m in DCNAC007** indicates gold present within the area.

A series of tenements along the Carnage Shear have now been granted and an initial campaign consisting of 44 AC holes for ~3,520m has been designed to further test the Carnage Shear corridor.

Menzies Gold Project

In 2020, Zuleika Gold announced it had completed an auger geochemical program over the northern and southern portions of E29/1052 with encouraging anomalous gold results from a wide 400x200m pattern. The aim of the geochemical sampling program was to test the granite-greenstone stratigraphy of the lightly explored exploration terrain which is obscured by pervasive transported cover.

Results of the program were very encouraging including broad coherent gold anomalism returned from the southern area of E29/1052, with peak values of up to 46ppb gold.

A follow up AC drilling program of 33 holes for 1,650m has been designed to test the gold anomalism. It is anticipated that drilling will commence in the March 2022 quarter following receipt of permits and completion of heritage surveys.

Other Projects and Targets

In addition to these planned drill programs, the Company is continuing to assess results and define new targets for drill testing. Other Projects that will be actively explored throughout 2022 include:

- The Credo Project, following up the RC and AC drilling results from late 2021 with the aim to extend currently defined resources and identify new targets;
- AC drilling of potential new targets identified from an extensive surface geochemistry undertaken in the Zuleika Project. Additional geochemistry surveys will continue to be completed throughout the Project in 2022; and
- An AC drill program to test gold anomalism in surface geochemistry identified at the Goongarrie West Project.

Exploration Strategy

Exploration results from 2021 have confirmed the highly prospective nature of the Company's gold project portfolio and support its strategy to test known targets for continuity of mineralisation and to simultaneously define new potential targets in new prospects.

The work continues to be undertaken in a highly efficient and effective manner by Zuleika Gold's technical and drilling teams.

In addition to the drilling, Zuleika Gold will continue to systematically carry out soil sample surveys on a number of other tenements in the Company's portfolio using the cutting-edge Ultrafine+ assay technique

developed by the CSIRO, which is an excellent tool for defining subtle gold anomalies in soil covered terrain, generating more targets to drill test.

Exploration will focus on:

- advancing existing resources;
- advancing the data on mineralised zones to move these to resources;
- identifying additional mineralisation and extensions and significant gold systems; and
- deploying reconnaissance exploration techniques to define new targets in untested tenements.

Zuleika Gold's project area is extensive and contains several major structural zones and secondary structures off these zones that are considered to have high potential for hosting economic mineralisation.

Zuleika Gold is working systematically to evaluate the entire project area in the most cost-effective manner.

Zuleika Gold's portfolio consists of prospects with known high-grade mineralisation through to geophysical target areas with no effective past exploration. The programs currently underway include:

- the collection of Ultrafine™ soils across areas of cover to identify the next generation of targets;
- bedrock AC drilling of identified structural or geochemical targets;
- RC target drilling following up bedrock anomalism and high-grade AC results; and
- RC drilling to test zones within and adjacent to the known resources at Credo and other targets within the broader Project.

This methodology is producing consistently good gold results, allowing the ranking of the prospects based on those which have the best chance of hosting economic gold resources. The results have confirmed and enhanced our working geological models, which are providing increasing confidence that our exploration goals will be achieved.

Corporate

The Company is in a well-financed position to complete systematic and effective exploration of its highly prospective Projects with a \$3m subscription agreement entered with prominent West Australian prospector and investor, Mr Mark Creasy (ASX Ann 18/01/2022).

Authorised for release by the Board.

Annie Guo
Managing Director

Competent Persons Statement

Mr Graeme Purcell has compiled the information in this report from information and exploration results supplied to Zuleika Gold Limited. Mr Purcell has sufficient experience that is relevant to the style of mineralisation, the type of deposits under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Purcell is a Member of the Australian Institute of Geoscientists (AIG) and is a Director of Zuleika Gold Limited and consents to the inclusion in the report of the matters based on the information in which it appears.