

19th July 2022



Corporate Details

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

Issued Shares	343.9M
Unlisted options	14.3M
Mkt. Cap. (\$0.27)	A\$91M
Cash (31 st Mar 22)	A\$9.3M
Equities (31 st Mar 22)	A\$14.2M
Debt	Nil

Directors

David Ledger	Executive Chairman
Michael Clifford	Managing Director
Stan Macdonald	Non-Exec Director
Julian Goldsworthy	Non-Exec Director
Emma Scotney	Non-Exec Director
Nic Ong	Co Sec
Nick Bishop	CFO

Major Shareholders

Directors	3.4%
HSBC Custody Nom.	8.7%
Citicorp Nom	8.3%
BNP Paribas Nom	6.2%
EV Metals Group	2.9%

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.

Contact Us

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DRILLING RECOMMENCED AT SPLIT ROCKS LITHIUM PROJECT

The Board of Zenith Minerals Limited (ASX: ZNC) ("Zenith" or "the Company") is pleased to advise that drilling has recommenced at the Split Rocks project in Western Australia. The project is part of the Zenith Lithium Joint Venture with EV Metals Group.

- A fully permitted program of 45 initial RC holes (~9,000 metres) has commenced to follow-up on the thick, high-grade lithium mineralisation intersected in the maiden drill program at the Rio pegmatite prospect (ASX Release 4-Apr-22), that returned results including:
 - ZVRC002 - 20m @ 1.0% Li₂O, including 10m @ 1.7% Li₂O
- Split Rocks is a large scale, lithium prospective project with multiple target areas containing thick pegmatites, along strike from the major Mt Holland lithium deposit (Wesfarmers/SQM) – under construction.
- Project-wide geochemical screening programs are also underway at Split Rocks with crews working towards systematically sampling all the prospective portions of the 660km² land package. Over 4,000 new samples collected to date, with an update on results expected shortly.
- Drilling of the initial 45 holes is anticipated to take approximately 6 weeks, with an additional 40 holes contingent on permitting and results of the first round of drilling.

Zenith Minerals Executive Chairman David Ledger commented: "Our Company, along with our joint venture partner, EV Metals Group, are genuinely excited to be conducting a follow up campaign on the initial drilling completed some months ago. That initial program, at Split Rocks, has been vital in defining an area of focus for the team to be now focusing on. The plan will be to follow up where the best intersections from the first round were identified, where we hope to expand on the initial high-grade results from the Rio area of the tenement. With a strong permitting and approvals team, we have been able to now start more serious planning for this program and follow-on drilling campaigns. With the new drilling set to commence, we believe that this will enhance our understanding of the potential for Split Rocks to be material in our lithium exploration endeavours."

Background on the Rio Pegmatite

An initial program of 28 RC drill holes was completed to test 7 pegmatite targets: Rio (4 holes), Dulcie West (4 holes), Estrela (2 holes), British Hills East (7 holes), Pointer 7 (5 holes), Firebreak North (2 holes) and Firebreak South (4 holes) part of the Split Rocks project in Western Australia (ASX Release 4-Apr-22).

Assays for the **Rio** pegmatite target (the first target drill tested in the current program), returned wide, high-grade lithium mineralisation. A single line of 4 RC holes (ZVRC001 – 004) was drilled at 200m spacing to follow-up on historical diamond drilling that intersected a flat-lying pegmatite, located 400m northwest. The pegmatite in historical diamond holes was up to 65m thick with

strongly anomalous lithium. Thick pegmatites were intersected in each of the 4 new holes, all containing anomalous lithium levels $>0.1\% \text{Li}_2\text{O}$ (Figures 1 and 2). Individual pegmatites are up to 55m in thickness, assuming a flat lying, stacked interpretation.

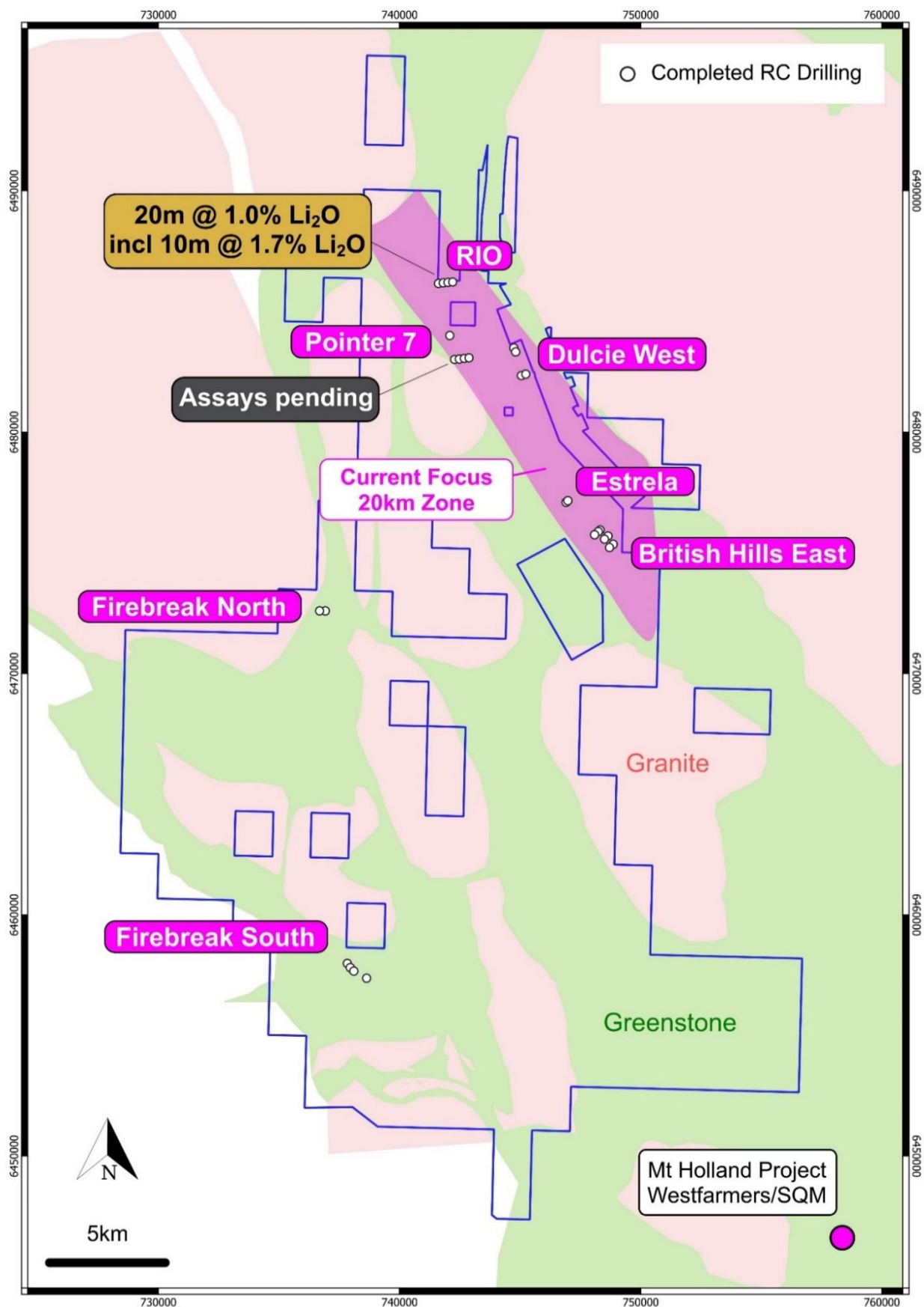


Figure 1: Split Rocks Lithium Drill Targets

Drill hole ZVRC002 intersected an upper and a lower pegmatite. The upper pegmatite contained thick, high-grade lithium eucryptite* mineralisation (confirmed via XRD analysis of 3 mineralised intervals). Results include:

- **20m @ 1.0% Li₂O, including 10m @ 1.7% Li₂O**

**Eucryptite is a lithium aluminium silicate mineral with a formula LiAlSiO₄. The lithia content of pure eucryptite is 11.86% Li₂O. Spodumene is also a lithium aluminium silicate mineral with a formula LiAlSi₂O₆. The theoretical lithia content of pure spodumene is 8.03% Li₂O. Spodumene accounts for most of the lithium production from pegmatite projects worldwide. Eucryptite is recorded in a number of lithium operations but generally only in small quantities. How eucryptite will perform metallurgically requires further investigation.*

Hole ZVRC002 ended in pegmatite. This lower 38m thick pegmatite zone contains strongly anomalous lithium (>0.1% Li₂O). Lithium minerals were identified as petalite (via XRD analysis of 1 mineralised interval).

In addition, holes ZVRC001, 003 and 004 all intersected thick pegmatites returning strongly anomalous lithium (>0.1% Li₂O). Lithium minerals in hole 003 were identified as petalite based on XRD analysis of 2 mineralised intervals.

The follow-up drill program of 45 initial holes will include infill 50m spaced holes as well as step out drilling at various spacings between 100m and 400m.

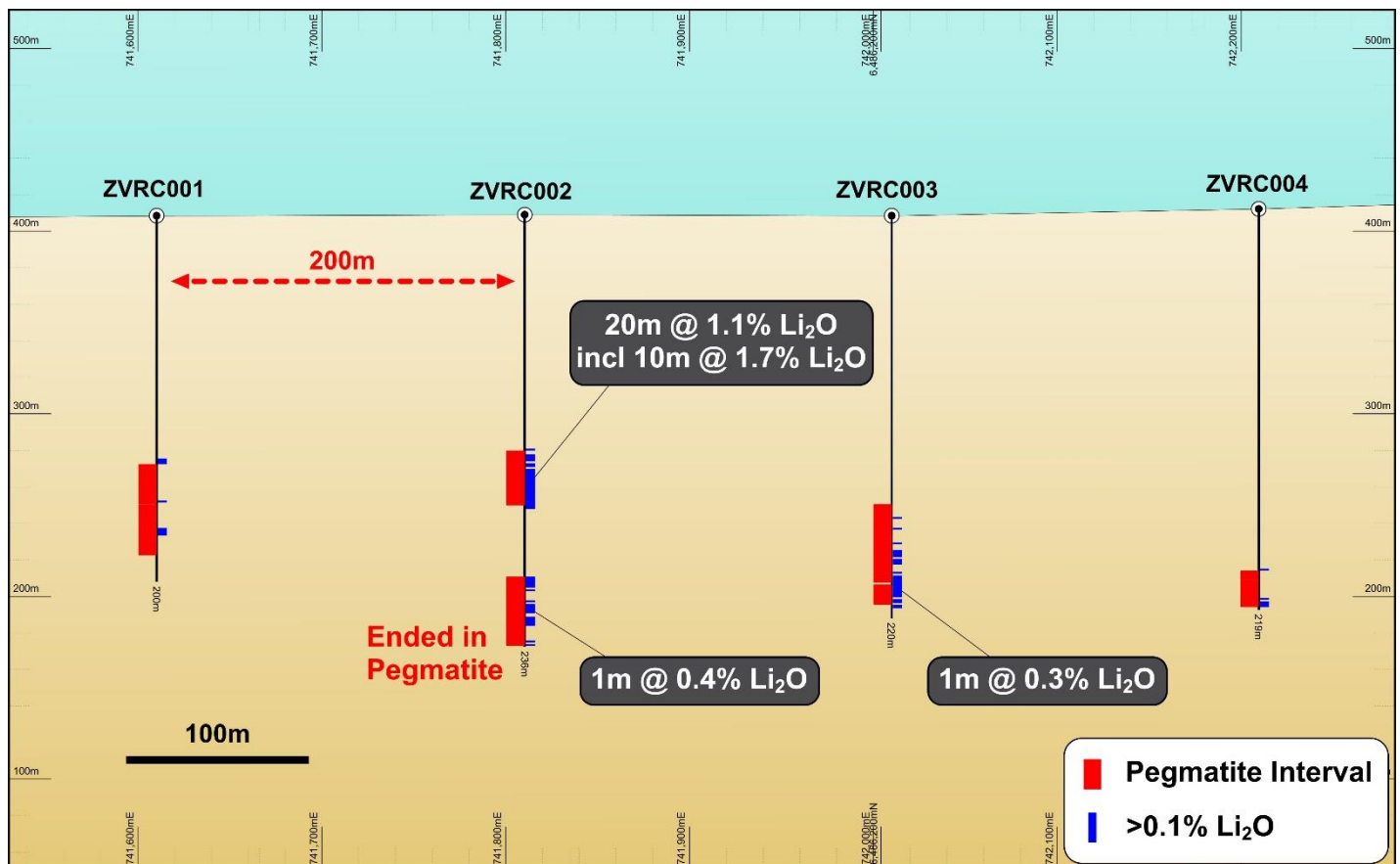


Figure 2: Rio Pegmatite Lithium Prospect Drilling Cross Section A-A'

Background on the Split Rocks Project

Zenith has been systematically exploring the Split Rocks project for lithium (Figure 3) within landholdings of approximately 660 km² in the Forrestania greenstone belt. 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).

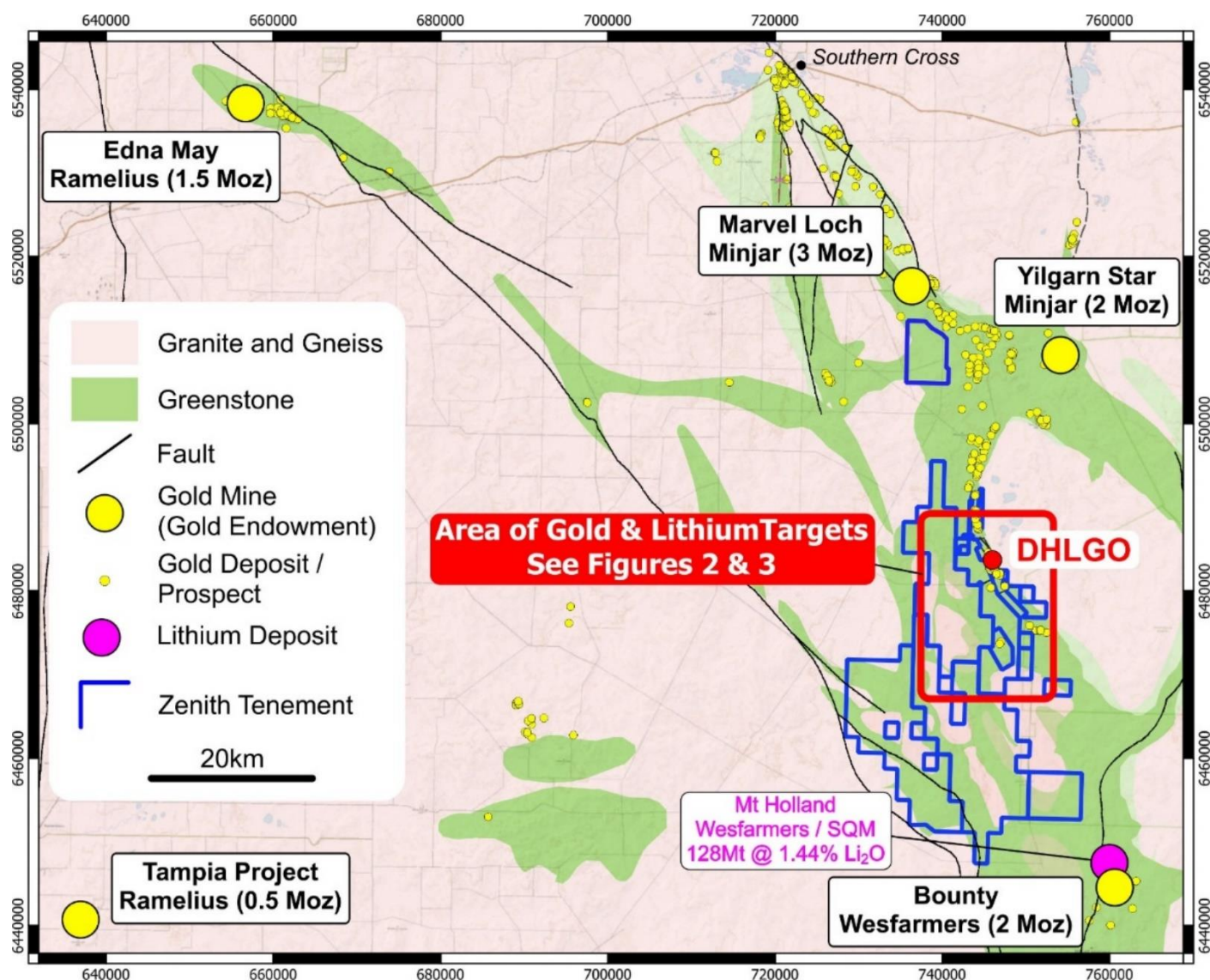


Figure 3- Split Rocks Project Location Map Showing Zenith tenements and Regional Lithium & Gold Endowment.
(*DHLGO - Gold rights below 6m subject to option agreement).

An initial drill test of seven large, lithium pegmatite targets in the Split Rocks tenement package has been completed, including at: Rio, Dulcie West, Estrela, Pointer 7, and British Hills East, Firebreak North, and Firebreak South. Thick pegmatites were intersected at Estrela (pegmatite up to 29m thick) and British Hills East (pegmatite up to 114m thick) – with a maximum 0.1% Li₂O.

Results are awaited for 4 drill holes completed at Pointer 7, whilst multiple additional targets have also been defined that will require drilling.

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 geochemical sampling programs to assess these zones have now commenced with auger sampling crews active on site.

Zenith Lithium Joint Venture

Zenith is being developed as a pure lithium company to refocus on minerals containing lithium and related metals required for rechargeable lithium-ion batteries for electric vehicles and renewable energy storage (“Battery Minerals”), backed by a new alliance with the EV Metals Group (EVM), as detailed in ASX Release 13-Jan-22. Key commercial terms of the Zenith Lithium Joint Venture with EVM include:

- EVM may earn a 60% interest in the lithium rights in two initial 100% owned Zenith projects, namely Waratah Well and Split Rocks (Figure 3), 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.
- The agreement includes a 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.
- 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 then 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 working capital (ASX Release 19-Jan-22).



Figure 1: Zenith Lithium Joint Venture - Project Locations (stars) and Alliance Project (square)

Australian Lithium Alliance

Zenith and EV Metals Group have also agreed to work together on a non-exclusive basis to assess lithium opportunities in Australia under a strategic initiative referred to herein as the Australian Lithium Alliance (ALA). Zenith and EV Metals Group will each fund their respective share of costs on assessing, exploring and any future development capital on a 40% - 60% basis respectively, with EV Metals Group owning marketing rights to any offtake. Each party will bring to the arrangement their respective technical, financial and management skills to assess lithium opportunities. The Mt Ida North option agreement announced to the ASX on 23-May-22 is being pursued under the ALA partnership.

The ALA is a separate arrangement to the existing Zenith Lithium Joint Venture with EV Metals Group that is detailed below and in ZNC ASX Release dated 14-Jan-22.

Demerger of Gold and Base Metals Assets

To allow the Zenith team to focus on activities to generate Battery Minerals projects, ZNC is planning to demerge the non-Battery Minerals projects, including base metals and gold assets into a new Company called Mackerel Metals Limited to be listed on ASX. Any such demerger will be subject to ZNC Board approval, tax advice favourable to ZNC, as well as 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 Company. Further updates and information on the Demerger will be provided by Zenith in due course.

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.

Authorised for release by the Zenith Minerals Limited Board of Directors – 19th July 2022

For further information contact Zenith Minerals Limited:

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Zenith Minerals Limited (ASX:ZNC)

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

Key Australian gold and base metal projects include:

Earaheedy	Zinc	Western Australia	25% free carry to BFS
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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, 18-Oct-21, 13-Dec-21, 21-Dec-21, 31-Jan-22, 7-Feb-22, 21-Feb-22, 9-Mar-22, 26-May22).

Develin Creek	Copper - Zinc	Queensland	100% Owned
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Inferred Mineral Resource 2.57Mt @ 1.76% Cu, 2.01% Zn, 0.24g/t Au & 9.6g/t Ag (ASX Release 15-Feb-15). Massive sulphides intersected at 2 new prospects Wilsons North & Snook.

Sulphide City (ASX Release 5-Jul-21).	34m @ 3.5% Cu+Zn incl 10m @ 6.0% Cu+Zn	29m @ 3.5% Cu+Zn incl 12.3m @ 6.7% Cu+Zn
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Red Mountain	Gold	Queensland	100% Owned
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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, 19-May-21).

Results incl:	13m @ 8.0 g/t Au 5m @ 10.4 g/t Au	15m @ 3.5 g/t Au 12m @ 4.9 g/t Au
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Split Rocks	Gold	Western Australia	100% Owned
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Zenith 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, 30-Sep-21, 18-Jan-22). Results include:

Dulcie North	32m @ 9.4 g/t Au, incl 9m @ 31.4 g/t Au	16m @ 1.3 g/t Au
Dulcie Laterite Pit	2m @ 14.5 g/t Au 14m @ 3.5 g/t Au	18m @ 2.0 g/t Au
Estrella	2m @ 9.8 g/t Au	
Dulcie Far North	5m @ 5.6 g/t Au	3m @ 70 g/t Au
Water Bore	3m @ 6.6 g/t Au	
Scotts Grey	8m @ 4.1 g/t Au	4m @ 4.8 g/t Au

Investments



43.9M shares in Bradda Head Holdings Limited (AIM)



3.88M shares in Rumble Resources Limited (ASX:RTR)



2.5M shares in American Rare Earths (ASX:ARR)



0.5M shares in Nickel-X Limited (ASX:NKL)