ZENITH MINERALS

Annual Report

Zenith Minerals Limited
ABN 96 119 397 938

for the Year Ended

30 June 2023

CONTENTS

CORPORATE INFORMATION 3
CHAIRMAN'S REPORT 4
REVIEW OF OPERATIONS 6
DIRECTORS' REPORT 18
AUDITOR'S INDEPENDENCE DECLARATION 33
CONSOLIDATED FINANCIAL STATEMENTS 34
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 34
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 35
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 36
CONSOLIDATED STATEMENT OF CASH FLOWS 37
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 38
DIRECTORS' DECLARATION 71
INDEPENDENT AUDITOR'S REPORT 72
CORPORATE GOVERNANCE STATEMENT 77
ADDITIONAL SHAREHOLDERS INFORMATION 78
INTERESTS IN MINING TENEMENTS 81

CORPORATE INFORMATION

Directors

David J E Ledger – Executive Chairman
Michael J Clifford - Director & CEO
Stanley A Macdonald - Non-Executive Director
Andrew P Bruton - Non-Executive Director
Geoffrey J Rogers – Non-Executive Director

Company Secretary

Nicholas Ong

Chief Financial Officer

Nicholas Bishop

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Securities Exchange Listing

Australian Securities Exchange
Home Exchange: Perth, Western Australia

ASX Code: ZNC

CHAIRMAN'S REPORT

Dear Shareholders

2023 has turned out a lot differently than we forecast when writing the Chairman's address at the same time one year ago. We have seen extreme weakness across the junior end of the resource sector led by lower commodity prices, concerns over a stalling Chinese economy and a market that saw institutional funds leave junior miners (and stocks across the board) in staggering numbers. In fact, investment from funds managers in the market that were invested in stocks under $750m market capitalisation fell from 25% of their asset allocation to just 9%. Combine that with rising interest rates and the damage that did in the market amongst retail investors in terms of confidence, and you were left with a very different backdrop to 2022.

All that said, we were also victims of circumstance. The confidence that we had placed in our joint ventures with EV Metals on the lithium assets and the Earaheedy asset managed by Rumble Resources, both suffered from different, but equally challenging, sets of conditions.

EV Metals - Lithium

Financially constrained due to commitments made elsewhere in the market, EV Metals has lacked sufficient funding as a group which has had a knock-on effect with work they had committed to undertake at both Split Rocks and Waratah Well throughout 2023. This has turned into a frustrating and concerning joint venture and one that has seen activity stall during this past year.

There has been no significant field work completed at either Split Rocks or Waratah Well during the 2023 calendar year. Despite assurances that work on the assets would recommence once EV Metals had their funding in place, the funding situation has remained unresolved. The lack of activity has been extremely painful to all shareholders at a time when lithium stocks have been the one shining light in an otherwise disappointing market.

Your board has been in constant communication with EV Metals in efforts to get not only funding, but monies owing, from them to continue with the joint venture in the spirit with which it was entered. We will continue to work to resolve the issues until the new year when we will reassess their capability of assisting and advancing these highly prospective tenements.

Earaheedy Zinc

During the year there was a lot of progress on the Earaheedy Project with Rumble Resources releasing their maiden resource estimate on the 19th of April which highlighted a globally significant discovery of 94Mt @ 3.1% Zinc and Lead and 4.1 grams per ton Silver for 2.2Mt Zinc, 0.7Mt Lead and 12.6 Moz of Silver. This made it one of the largest zinc sulphide discoveries globally within Western Australia.

At the time of this release, Rumble was valued at a market capitalisation close to $120m. With a 25% shareholding in the Earaheedy asset, the project was considered worth approximately $30m to Zenith. Subsequent capital requirements have seen the Rumble share price fall to 12c which has in turn had a knock-on impact to the value of this project for Zenith. Whilst there is no requirement to fund any element of the exploration work until Rumble can deliver a Bankable Feasibility Study, the value of this project is unlikely to increase dramatically until there is a Rumble price recovery, the zinc price can normalise at a higher level or there is some corporate activity. Overall, the free-carry on this project provides shareholders with significant zinc exposure, should zinc's place in the new critical minerals economy take off.

The Develin Creek Sale

Discussions had been ongoing for some time regarding the sale of the Develin Creek copper project in Queensland. At the end of the day there was realistically only one natural buyer of the project, QMines, due to the proximity of their existing Mt Chalmers project to Develin Creek.

The sale negotiations were protracted but we were resolute in our resolve to obtain $4.5 million for the asset. The cash ($2.5m) and scrip deal ($2m in QML paper with six-month escrow) provides your company with enough runway to satisfy our needs and removes any immediate need to call on the market for additional funds.

Lithium Assets

We have not stood idle, during the period of EV Metals inactivity throughout 2023, and wanted to ensure we have additional lithium project exposure. To that end, Zenith has continued the pursuit of lithium assets throughout the year and has added to its projects portfolio. The Yilmia and Hayes Hill projects were notable additions and broaden the scope of our footprint throughout Western Australia.

Initial work has been ongoing at these sites with heritage surveys completed in the last quarter of 2022 and into 2023. We have not been idle on Split Rocks and Waratah Well either with nearly every corner of the projects having seen soil sampling to identify drill ready lithium targets. You will have seen the interesting geochemical signatures at the southern end of the Split Rocks land package, where we have identified an area referred to as Cielo, which covers a 9km by 2km area that looks highly prospective for lithium pegmatites. That being the largest, there are thirty more areas that have also been identified as compelling drill targets.

Our Focus

This year has seen us continue with the rationalisation of our asset base to focus on lithium. We have ceased work on projects that we consider can add little value to the bigger picture. For instance, adding 1 ton of copper to an asset does not achieve the same outcome as adding 1 ton of lithium. With lithium results we get more upside per ton than we get in other metals and so we will continue to critically assess our portfolio and ensure we are pushing the lithium assets forward.

Develin Creek was not the only asset we divested during the year. We made the decision that all work on non-core projects was to cease in an effort to deploy our capital where it got better acknowledgement from the market. Cowarra in New South Wales is one such example where we were earning into a gold project that has strong potential but would be unlikely in the short term to realise value on the balance sheet or in the market.

We are not a diversified mining house. The days of having the luxury of a broad asset base covering every commodity are not for us. We have finite resources that need to be focused on assets that can make a significant difference to the Company and hence we will continue rationalising the asset base until we are recognised by the market for being a specific metals player. We are focused on lithium.

Into 2024

We still have some challenges ahead of us. We will get resolution to the situation with the EV Metals joint venture. The outstanding EV Metals matters is a daily focus for us all and at front of mind is unlocking the full potential of our key lithium projects.

Our gold projects at Split Rocks and Red Mountain continue to have resources spent on them. We have delivered on the commitment to identify the opportunities therein. They are not the core focus for your Company but will be given every opportunity to have their full value recognised.

We have been through a tumultuous year. We have seen the resignation of two directors and seen the appointment of two outstanding individuals, Andrew Bruton and Geoff Rogers who have brought greater diversity and experience to the board. Their contribution is acknowledged here, as are all Board members.

To Mick Clifford, I am profoundly thankful. There was not one day in the past year that we did not engage in conversation. We have been through some very challenging times. His commitment to finding resolution across asset sales and dealing with those obstacles thrown in our path has been nothing short of outstanding.

We will continue on our path, and I thank the shareholders for their support and ongoing interest. We have some very good days in front of us and we will ensure that we are in control of our destiny.

Mr David J E Ledger
Executive Chairman
28 September 2023

REVIEW OF OPERATIONS

Zenith Minerals Limited (ASX:ZNC) is an Australian-based minerals exploration company leveraged to the increasing global demand for metals critical to the production processes of new energy industrial sectors. Zenith is focused on minerals containing lithium and related metals required for rechargeable lithium-ion batteries for electric vehicles and renewable energy storage ("Battery Minerals") – Figure 1.

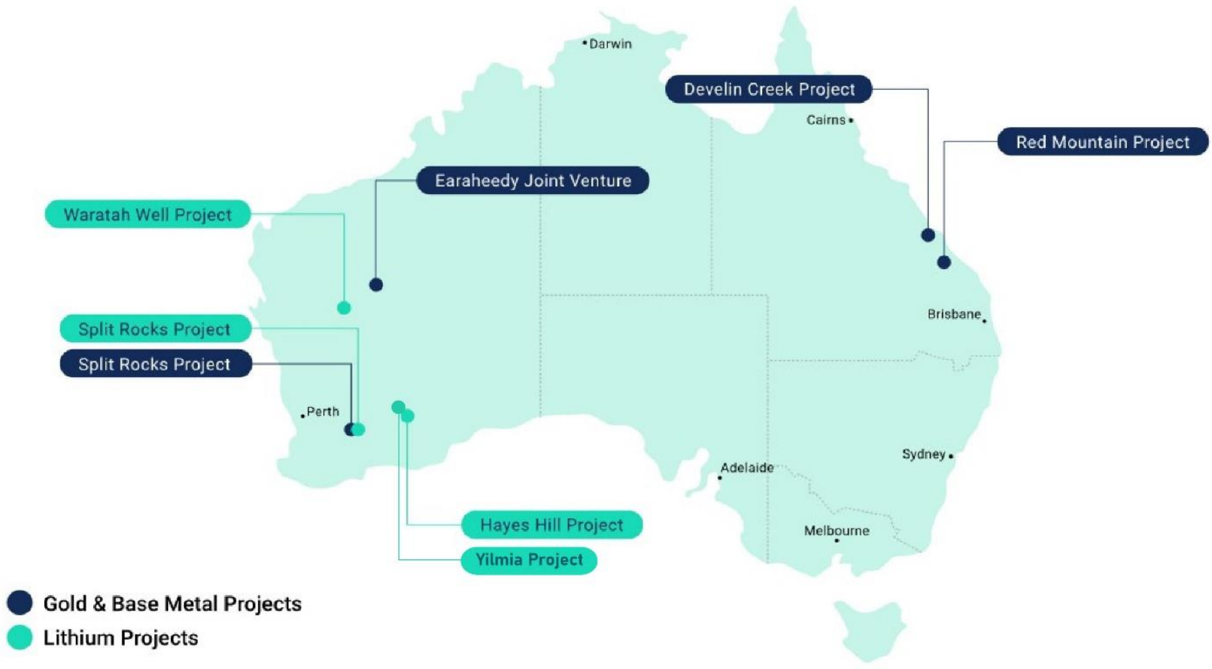

Figure 1: Zenith Lithium Project Locations

The Company currently has four lithium projects all located in Western Australia. Two projects, Split Rocks and Waratah Well, are being explored under the terms of a joint venture between Zenith and EV Metals Group (EVM). Split Rocks covers landholdings of approximately 660 km2 in the Forrestania greenstone belt immediately north of the established Mt Holland lithium deposit. Waratah Well, located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region holds a lithium pegmatite with ongoing exploration required.

In January 2022, Zenith entered into a joint venture with EV Metals Group (EVM), a company with plans to develop a Battery Chemicals Complex in Saudi Arabia. EVM has the right but not obligation to earn a 60% interest in the lithium rights on two lithium projects, Split Rocks and Waratah Well, with Zenith retaining a 40% project share. Under the terms of the agreement Zenith is fully funded by EVM through to a bankable feasibility on any project development, such a study must be completed by January 2024.

Zenith has an additional two lithium projects. In January 2023, Zenith secured an option to acquire 100% of the Hayes Hill lithium – nickel project, located in the Norseman – Widgiemooltha area of Western Australia. A further project Yilmia, covers an 8 km long lithium prospective area in the Coolgardie district, some 13 km southeast of the recent Kangaroo Hills lithium discovery by ASX:FBM. Zenith may earn up to a 100% interest in the lithium rights at the Yilmia project.

In addition to its battery metal assets Zenith owns a portfolio of gold and base metal projects. It retains a 25% free carried interest (to end bankable feasibility study) on the Earaheedy Zinc discovery, in Western Australia, with Rumble Resources Limited (ASX:RTR) and two main gold projects – Red Mountain in Queensland and Split Rocks in Western Australia.

BATTERY METALS

Split Rocks Lithium Project

The Split Rocks Project is located approximately 40km south of the regional town of Marvel Loch in the Goldfields Region of Western Australia. The project area lies immediately north of the Mt Holland Lithium Project that is being developed by Covalent Lithium (SQM and Wesfarmers) - Figure 2.

A 100-hole drill program (for 22,369m) was completed during the year. Results confirmed and extended lithium mineralisation at the Rio Pegmatite (Figures 3 & 4).

A lithium mineralised zone (>0.1% Li_2O) was identified over >2900m by up to 1100m wide, remaining open to the north and south with a higher-grade (>0.3% Li_2O) lithium zone >750m and up to 500m wide. Results reported (ASX Release 16-Nov-22) included:

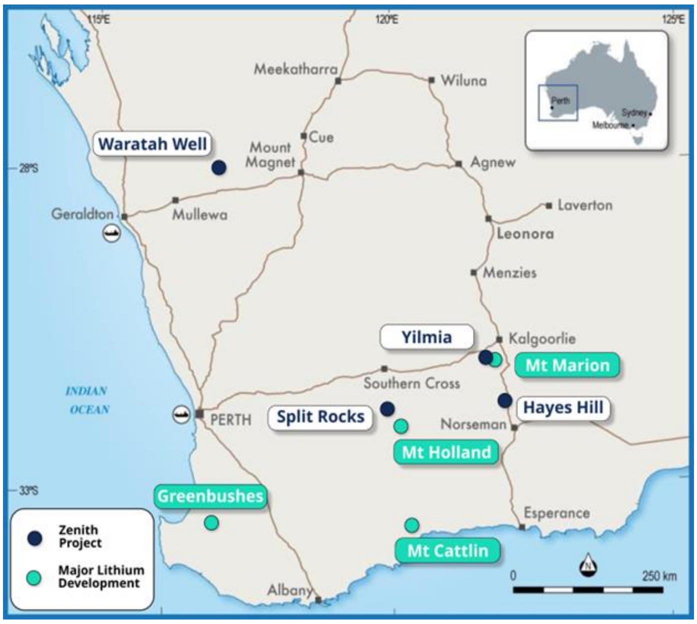

Figure 2: Split Rocks Project

- **26m @ 1.2% Li_2O incl. 13m @ 1.9% Li_2O (upper zone)** and
- **23m @ 0.8% Li_2O incl. 8m @ 1.3% Li_2O (lower zone).**
- Diamond drilling also confirmed pegmatite continues or repeats (up to 100m in thickness) at depth below many RC drill holes.

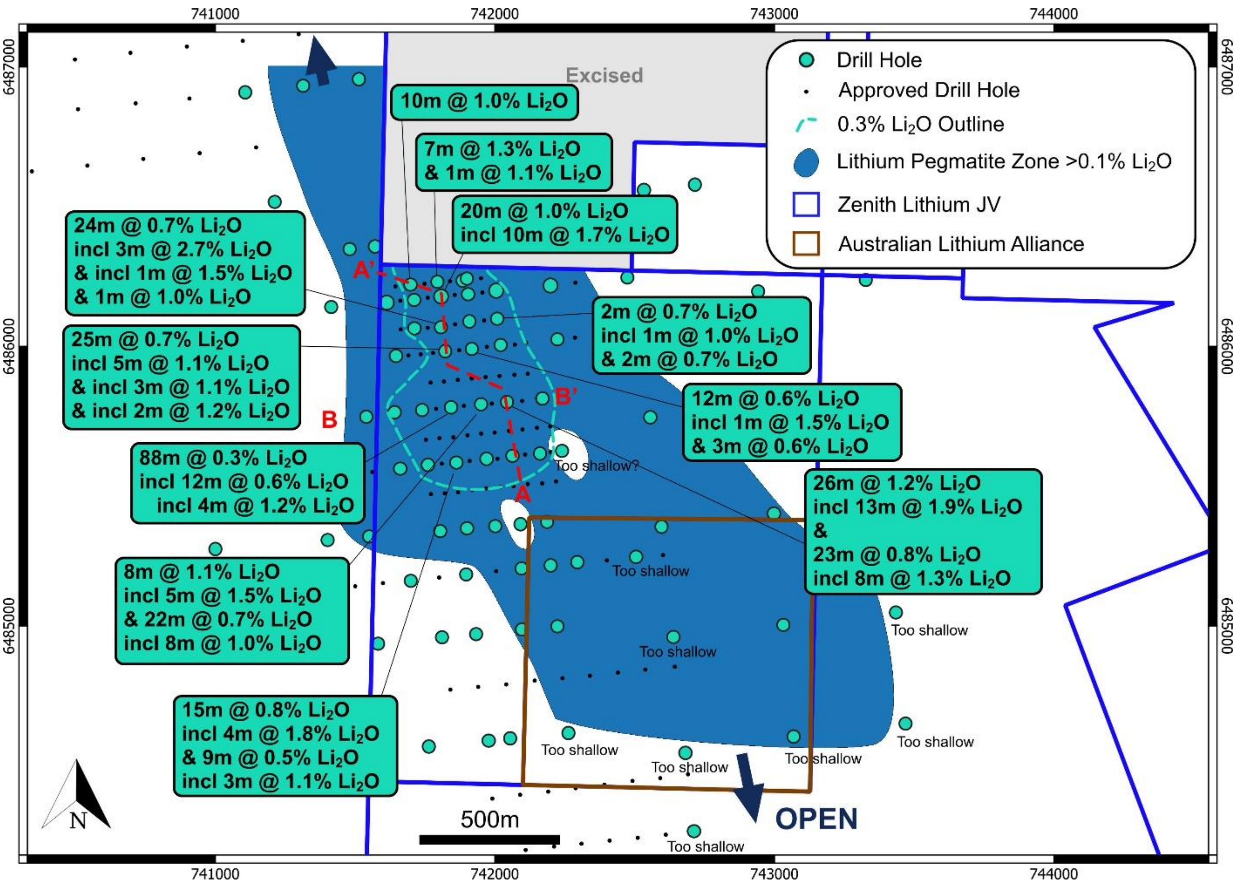

Figure 3: Rio Pegmatite – Map with Significant Lithium Drill Results

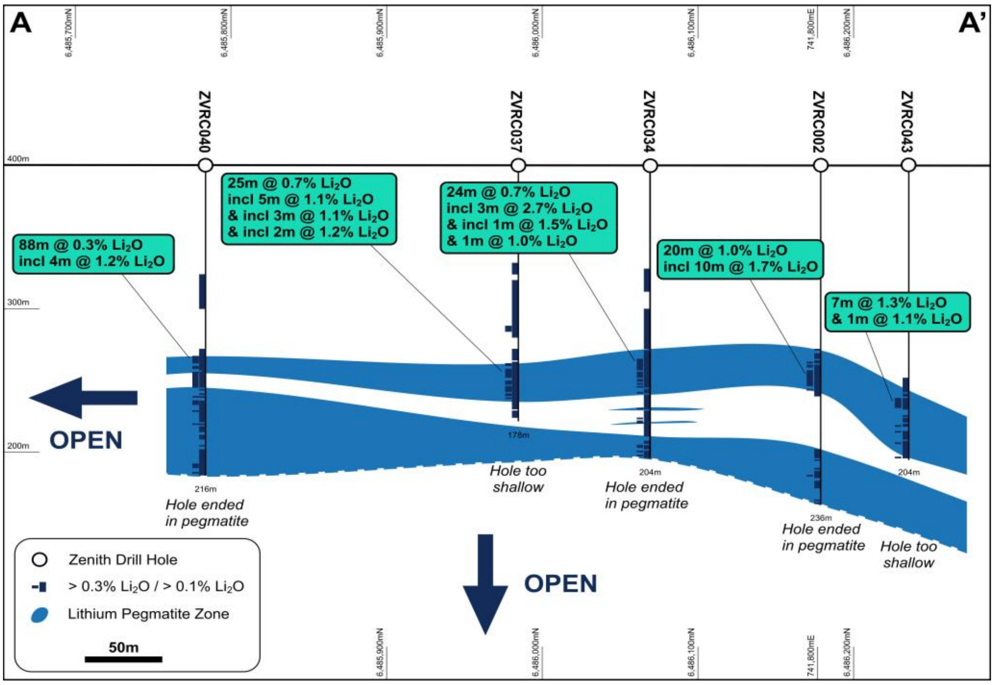

Figure 4: Rio Pegmatite – Long Section with Significant Lithium Drill Results

Lithium pegmatite mineralisation identified to date is a mixture of eucryptite with lesser spodumene, petalite and lepidolite confirmed by multiple methods including optical microscopy, SEM, Raman spectroscopy and XRD analyses.

The amenability of eucryptite mineralisation to conventional treatment processes has been shown by positive sighter flotation testwork and bench scale calcination-leach tests, hence confirming the potential of eucryptite as a viable lithium target (ASX Release 26-Jul-22).

Significant "blue-sky" potential exists within the wider Split Rocks project area, in the very large, untested lithium geochemical soil anomaly "Cielo", located 26km south of the Rio Pegmatite and 18km northwest of the Mt Holland Lithium Deposit (under development by SQM-Wesfarmers), or in 30 other targets identified throughout the project (announced post year end; see ASX Release 10-Aug-23) – Figure 5.

Lithium mineralisation at Rio remains open to the north, south, east and at depth. Permits are now in place to enable infill and extensional drilling of up to a further 50 RC / diamond holes in the immediate Rio area. Drilling is also planned to test the >30 lithium targets within the 660 km² of the project.

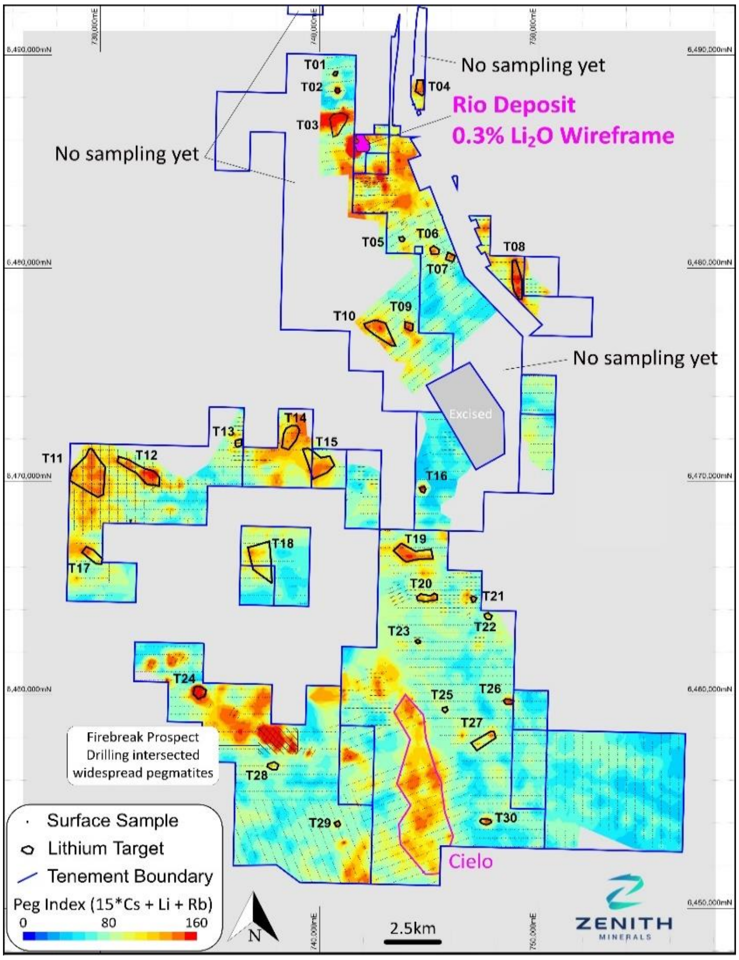

Figure 5: Split Rocks Lithium Targets

Waratah Well Lithium Project

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

An initial drilling program in early 2022 identified the presence of widespread lithium-bearing pegmatite dykes over a 4km zone, open to the north and east under soil cover at Waratah Well (ASX Release 10-Mar-22) – Figures 6 & 7).

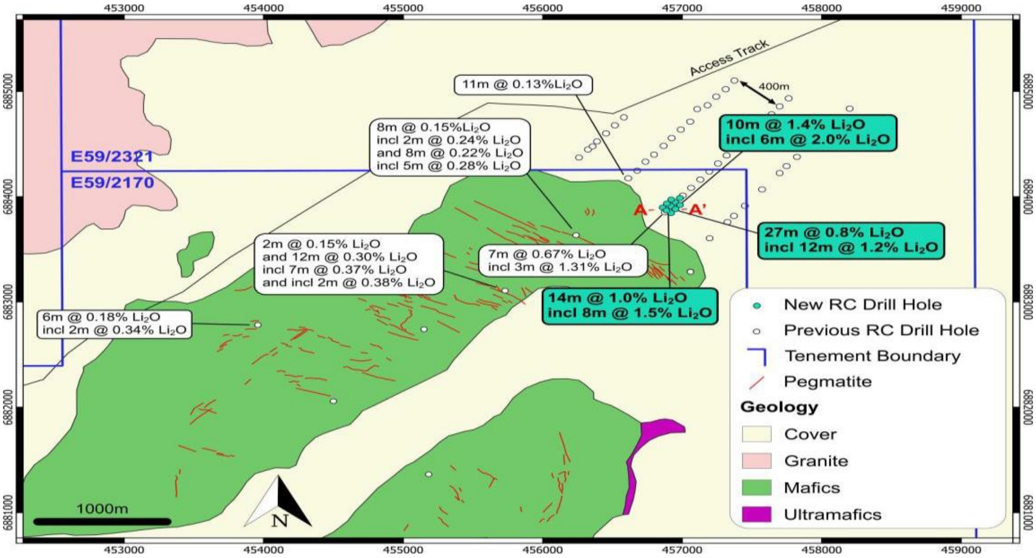

Figure 6: Waratah Well Lithium Prospect Area - Lithium Drilling Results & Location of Cross Section A-A'

Drilling this year has confirmed the presence of high-grade lithium below the depth of weathering (ASX Release 24-Jan-23), including:

- **14m @ 1.0% Li_2O, incl 8m @ 1.5% Li_2O.**
- **10m @ 1.4% Li_2O, incl 6m @ 2.0% Li_2O.**
- **27m @ 0.8% Li_2O (true width 10m), incl 12m @ 1.2% Li_2O (true width 6m).**

Lithium mineralisation has been identified by laboratory XRD analysis as containing up to 84% petalite.

Heritage surveys have now been completed and permits are in place to allow a substantial follow-up drill program to define the extents of lithium mineralisation that remains open to the north, south and east under shallow soil cover at Waratah Well.

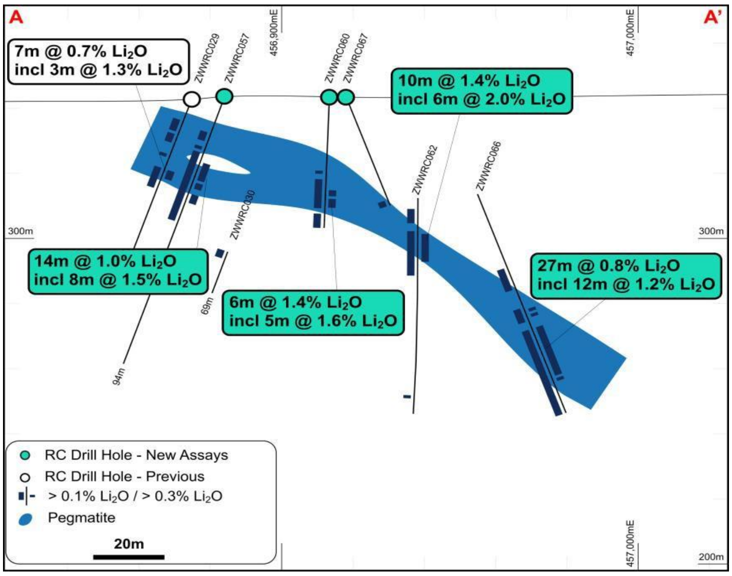

Figure 7: Waratah Well Lithium Prospect Drilling Cross Section A-A'

A 49-hole drill program has been approved to define the extents of lithium mineralisation that remains open to the north, south and east under shallow soil cover, and to test the surroundings of the prospect at Waratah Well where several lithium anomalous intersections were drilled in 2022.

Hayes Hill Lithium – Nickel Project

The Hayes Hill Lithium – Nickel Project is in the Norseman – Widgiemooltha region of Western Australia (Figure 8). Zenith holds an option to acquire 100% of the Hayes Hill project (ASX Release 19-Jan-23).

The project consists of 4 granted exploration licences (2 of which were granted in July 2023) and 1 exploration licence application in a highly mineral prospective corridor with significant untested lithium potential. The project is situated 10 – 14km to the east and southeast of the Dome North lithium pegmatite deposit and immediately east of the Sinclair caesium pegmatite mine both owned by Essential Metals Limited (ASX:ESS). Liontown's (ASX:LTR) Buldania lithium deposits are located a further 43km to the southeast of the Hayes Hill project area. Modest lithium soil anomalies have been identified from cursory geochemical work by the project owner, however, much of the ground is yet to be adequately screened using systematic soil or auger techniques, providing a greenfields opportunity for lithium in a well-located tenure package.

In addition, the project has strong nickel potential with robust high-tenor nickel-copper-PGE soil anomalies that have not yet been drill tested. Nickel prospective ultramafic rocks extend 18km north along strike from Galileo's (ASX:GAL) Calisto nickel-PGE discovery and 11km northwest along strike from ASX:S2R's – Polar Bear nickel prospects (Gwardar, Taipan & Halls Knoll).

Two existing high-tenor undrilled nickel-copper-platinum-palladium surface geochemical anomalies are situated within a folded sequence of ultramafic rocks within the Hayes Hill project area:

- The Green Bananas auger anomaly with peak values of 2,424 ppm Ni, 1,233ppm Cu, 77 ppm Pt and 21ppb Pd is open ended to the east.
- PlatX soil anomaly with peak values of 1,486 ppm Ni, 386ppm Cu, 6 ppm Pt and 49ppb Pd

The Green Bananas target was confirmed during the year with new surface sampling returning peak assay results of: 0.43% Cu, 0.53% Co & 203ppm Pt.

EM geophysical surveys and RC drilling are proposed to commence during the second half of 2023.

Yilmia Lithium Project

Zenith signed a binding option agreement to secure up to a 100% interest in the lithium rights over tenure near Coolgardie – Western Australia during the first half of 2023 (ASX Release 22-May-23).

The Yilmia Lithium Project is inferred to contain an 8km long greenstone package that is considered highly prospective for lithium pegmatites on the southern margin of the Woolgangie Monzogranite.

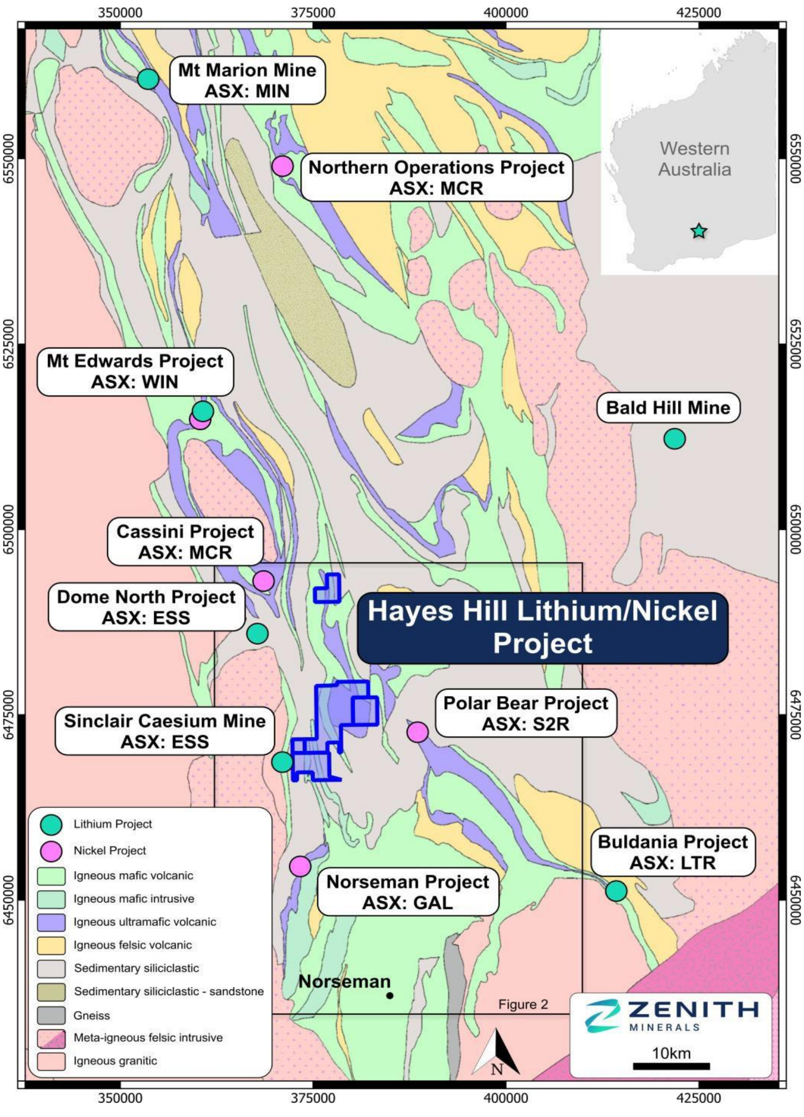

Figure 8: Hayes Hill Project Location

A strong aeromagnetic anomaly coincides with ultramafic and mafic rock units that are shown on government geological maps, further east of the Yilmia project area. That same aeromagnetic anomaly extends through the northern portion of the project area, under soil cover, indicating that the greenstone belt likely extends further west through the Yilmia project tenure. Furthermore, the presence of greenstone within the Yilmia project area, is also supported by a historical soil sampling program and a historical EM geophysical survey that were conducted as part of nickel exploration in the area of interest to Zenith (Figure 9).

A program of aircore drilling is planned to test the lithium target zone.

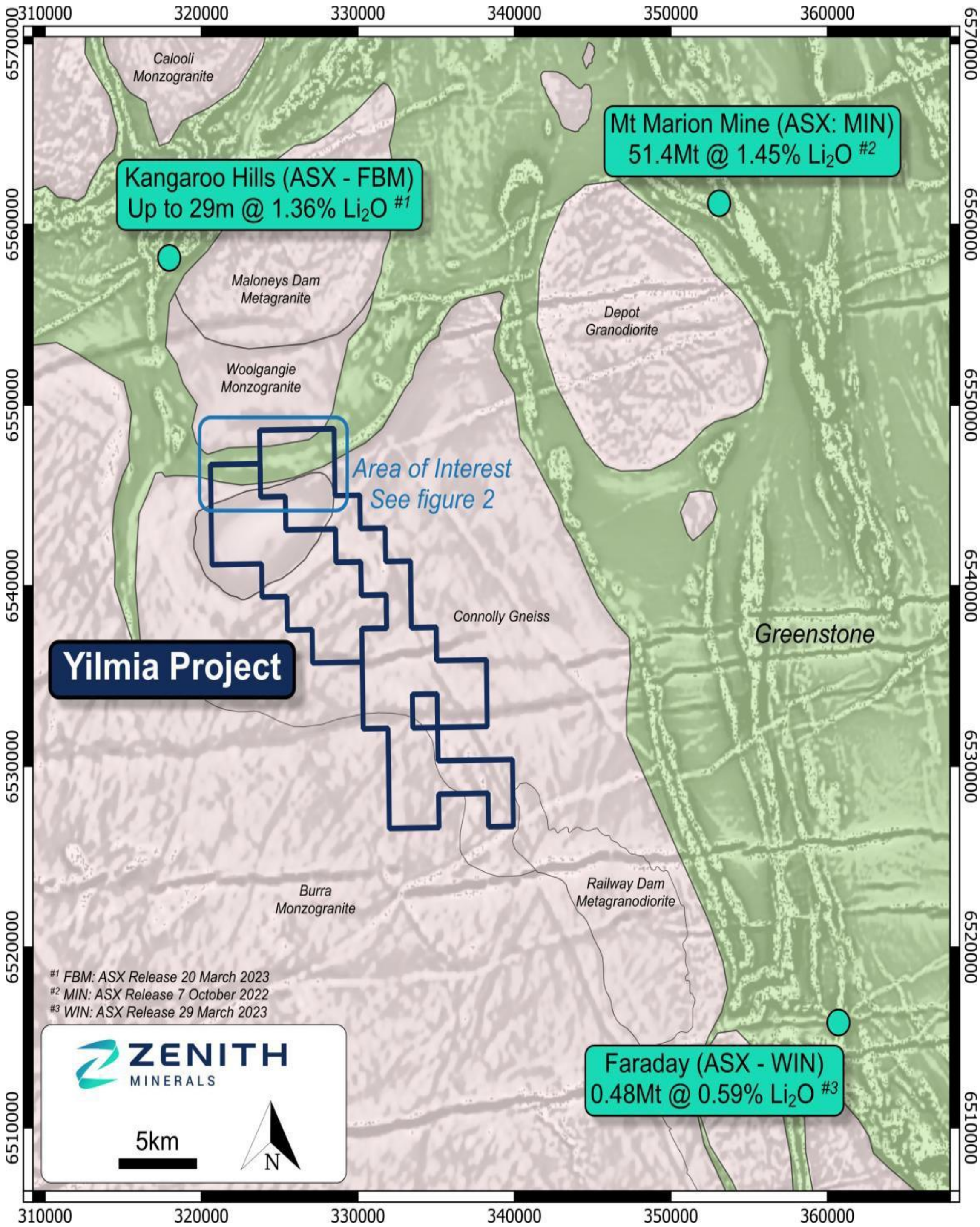

Figure 9: Yilmia Lithium Project - Location Map
(Greenstone Outlines over Aeromagnetic Greyscale _ RTP Image)

GOLD & BASE METAL PROJECTS

On 2-Dec-22 the Board of Zenith advised shareholders , that the offer for shares in Mackerel Metals (Zenith's planned spin-out of its gold & base metal projects) had been negatively impacted by market conditions and had therefore been withdrawn. The Company has no intentions to pursue a further spin-out via an initial public offering.

Earaheedy Zinc Project

The Earaheedy Zinc Joint Venture project is located ~900km northeast of Perth. Zenith, through its wholly owned subsidiary, Fossil Prospecting Pty Ltd, holds a 25% non-contributing equity in the Earaheedy Zinc Joint Venture Project and is free carried by Rumble through to the completion of a Bankable Feasibility Study (BFS). Upon completion of a BFS Fossil may, within 90 days, elect to contribute its share to future funding obligations or revert to a 1.5% Net Smelter Return (NSR) royalty.

During the year, Rumble announced a maiden, open-pit constrained, Inferred Mineral Resource Estimate (MRE) for the Chinook, Tonka and Navajoh zinc deposits that make up the Earaheedy Joint Venture Project.

The MRE on a 100% basis stands at **94Mt @ 3.1% Zn+Pb and 4.1 g/t Ag** (using a 2% Zn+Pb cutoff) and constrained within optimised pit shells. Refer to Rumble's ASX Release dated 19 April 2023, for full details.

Zenith, through its wholly owned subsidiary, Fossil Prospecting Pty Ltd, holds a 25% non-contributing equity in the Earaheedy Joint Venture Project and is free carried by Rumble through to the completion of a Bankable Feasibility Study (BFS).

Earaheedy Zinc Project – WA (Zenith 100%)

The Earaheedy Zinc Project (EZP) covers an area of ~500km^2 and comprises seven granted exploration licences and one Retention Licence located around the margins of the Earaheedy Basin. The basin margin contact is seen as one of the key controls for significant zinc mineralisation within the adjacent Earaheedy Zinc joint venture. No significant exploration was completed during the year.

Dulcie Far North Gold Project

Significant gold assay (>0.5 g/t Au) were reported from Dulcie Far North within the Company's 100% owned **Split Rocks Gold Project** during the quarter, including:

- **19.0m @ 1.9 g/t Au in SRRC020, incl 4m @ 6.4 g/t Au from 110m**
- **14.0m @ 1.4 g/t Au in SRDD006, incl 1.9m @ 5.8 g/t Au from 134.5m**
- **10.4m @ 1.0 g/t Au in SRDD005, including 3.4m @ 1.9 g/t Au from 127.5m**
- **1.0m @ 12.4 g/t from 143m in SRDD013**

A maiden Inferred Mineral Resource was estimated over the Dulcie Far North Prospect, immediately post year end (ASX Release dated 11-Jul-23). Using a 0.5 g/t Au lower cut the resource is reported at:

- **3.4 million tonnes at 1.4 g/t Au for 150,000 ounces Au**

Gold mineralisation remains open to the north and down dip. Further infill and extensional drilling is likely to expand the mineralised zone.

Red Mountain Gold Project

Diamond drilling was also completed during the year at the Company's 100% owned Red Mountain Gold-Silver Project in Central Queensland (Figures 10 and 11). Two diamond holes (ZRMDD050 + 051) were completed for 959m and a third hole (ZRMDD052) was completed post year end at 491m.

Assay results received post year end returned significant widths of gold and silver mineralisation, including: 118m @ 0.54 g/t Au and 11.9g/t Ag. (ASX Release 29-Aug-23). The drilling confirmed the depth continuity of gold and silver mineralisation occurring as stockwork, sheeted and extensional quartz and base metal veins hosted primarily within rhyolite and granodiorite.

Drilling targeted the depth extensions to significant shallow high grade gold mineralisation up to 13m at 8.0 g/t Au and 3.2 g/t Ag in ZRMRC001 from surface (see ASX release dated 3 August 2020).

Follow-up drilling is required to scope the lateral and depth extents of the rhyolite hosted mineralisation.

During the year 100% owned prospects Privateer and Auburn were consolidated into a single combined Red Mountain project.

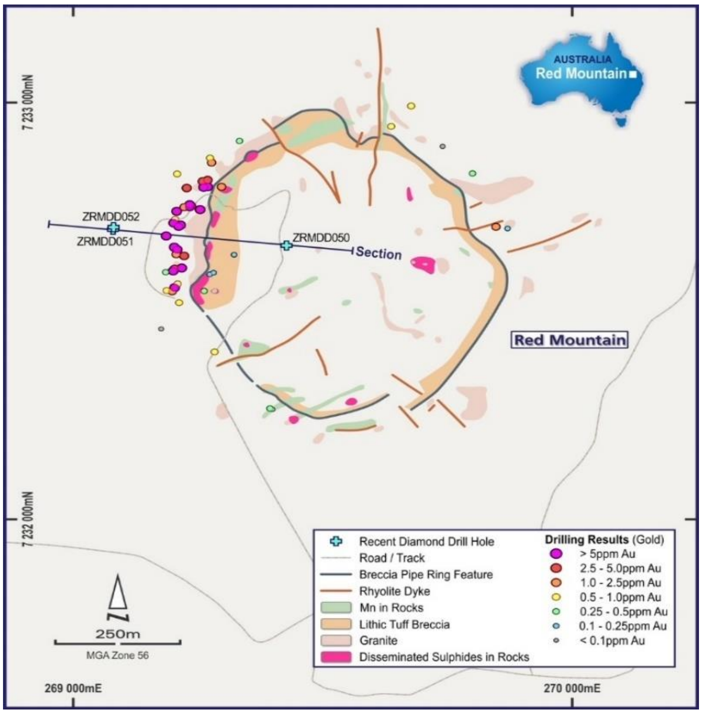

Figure 10: Maximum Downhole Gold Intersections along the North-Western Flank of the Red Mountain IRG Breccia Pipe

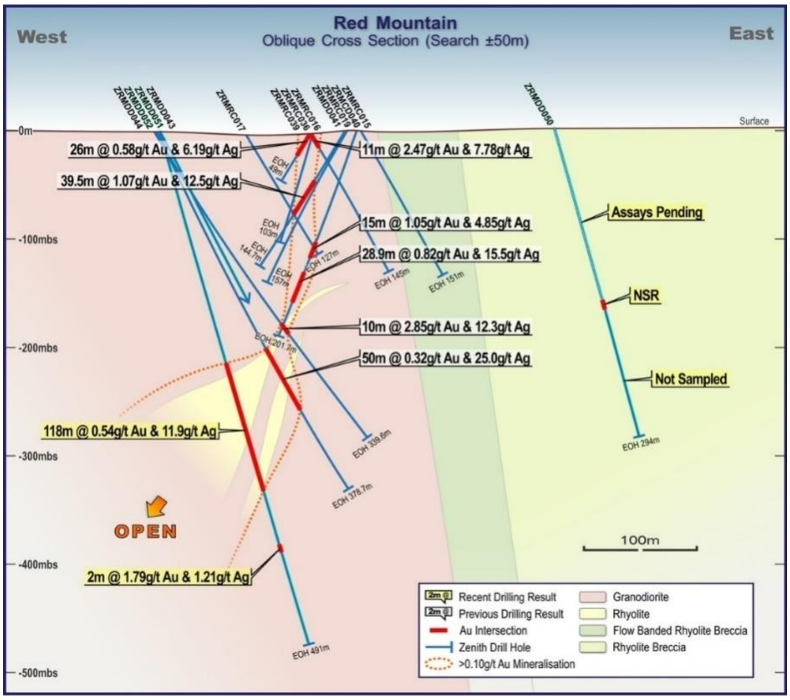

Figure 11: Cross Section Through ZRMDD050 – ZRMDD052, using a 0.10 g/t Au lower cut-off

Develin Creek Copper- Zinc Project – Queensland (Zenith 100%)

Develin Creek Project is a very high order volcanic massive sulphide (VMS) style copper – base metals target spanning over of 50km strike length of favourable stratigraphy. VMS systems tend to occur in discrete commercial clusters and this project appears to be presenting such an opportunity.

Develin Creek Project Background

Post year end the Develin Creek Project was divested to QMines Limited (ASX Release 24-Aug-23) for up to $4.5M in cash and shares, plus additional work commitments.

The consideration includes:

- An up-front payment to Zenith of $1.2M cash and $1M worth of QML shares for a 51% interest.
- Within 12 months QML must complete 500m of diamond drilling and a detailed metallurgical study on the existing Develin Creek Inferred Mineral Resource.
- At 12 months QML must pay a further $1.3M cash and issue another $1M worth of QML shares* to Zenith for an additional 49% interest (Additional Interest Completion Date).

*The second tranche payment by QML may be adjusted down to $0.975M cash and $0.6875M worth of QML shares, should the detailed metallurgical study show zinc concentrate grades below 50% or that a 50% zinc concentrate grade is not commercially achievable.

Cowarra Gold Project – New South Wales (Zenith 22.3%, earning up to 47%)

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.

Zenith initially announced a staged equity investment in pre-IPO vehicle (Oxley) back on 13-May-21 by way of a Subscription Agreement. A renegotiation of the terms of the initial Subscription Agreement saw Zenith increase its stake in Oxley, the owner of the Cowarra Gold Project, to 27%, by way of a further $150k placement at 8c per share (see ASX Release dated 5-Oct-22).

During the year a total of 10 RC drill holes for 1,207m were completed across 3 prospects Victoria, King and Democrat to confirm the style and geometry of gold mineralisation.

Significant (>0.5 g/t Au) gold drill results included:

- OCRC005 – **6m @ 3.4 g/t Au and 21m @ 3.7 g/t Au and 19m @ 3.6 g/t Au** (true width 50% of reported downhole intersections)
- OCRC006 - **21m @ 5.0 g/t** (true width 50% of reported downhole intersection)
- OCRC007 – **12m @ 2.0 g/t Au and 26m @ 2.5 g/t Au** (true width)
- OCRC009 - **14m @ 1.7 g/t Au and 4m @ 1.7 g/t Au** (true width)

Multiple regional prospects and gold targets at Cowarra have been identified over 8km of strike with limited systematic drill testing having occurred to date. Discrete IP geophysical targets from Oxley's survey work are high priority for drill follow-up. Zenith is looking to monetise its interest in Oxley, the company holding the Cowarra Gold Project.

Kavaklitepe Gold Project – Turkey (Zenith ~20%)

Zenith's joint venture partner for the Kavaklitepe gold project in Turkey, Gubretas Maden a Turkish mining company that owns there nearby Sogut gold mine (under development) is planning an infill RC drilling program over the project to enable a JORC Compliant resource to be estimated.

Zenith has elected not to contribute to the program and will dilute from its current 20% equity in the project. Should Zenith's equity fall below 10% it will revert to a 5% Net Profits Royalty.

MINERAL RESOURCE STATEMENT

During the year, Zenith's Joint Venture partner Rumble Resources limited announced a maiden, open-pit constrained, Inferred Mineral Resource Estimate (MRE) for the Chinook, Tonka and Navajoh zinc deposits that make up the Earaheedy Joint Venture Project.

The MRE on a 100% basis stands at 94Mt @ 3.1% Zn+Pb and 4.1 g/t Ag (using a 2% Zn+Pb cutoff) and is constrained within optimised pit shells. Refer to Rumble's ASX Release dated 19 April 2023, for full details.

Zenith, through its wholly owned subsidiary, Fossil Prospecting Pty Ltd, holds a 25% non-contributing equity in the Earaheedy Joint Venture Project and is free carried by Rumble through to the completion of a Bankable Feasibility Study (BFS).

The pit constrained MRE hosts a 41Mt higher-grade component above a 3% Zn+Pb cut-off grade, and a very large 462Mt component above 0.5% Zn+Pb cut-off grade that has the potential to be upgraded through beneficiation, providing the Earaheedy Project with significant optionality for future development.

Cut off	Pit Constrained Inferred Resources				
Zn+Pb %	Tonnes Mt	Zn+Pb %	Zn %	Pb %	Ag g/t
0.5	462	1.3	1.0	0.3	2.2
1.0	194	2.2	1.6	0.5	3.1
2.0	**94**	**3.1**	**2.4**	**0.7**	**4.2**
2.5	65	3.4	2.6	0.8	4.5
3.0	41	3.8	3.0	0.8	4.9
4.0	12	4.8	3.6	1.2	5.7

Dulcie Far North – Gold Project

A maiden Inferred Mineral Resource was estimated over the Dulcie Far North Prospect, part of the Split Rocks Project(100% owned, from 6m below surface), immediately post year end (ASX Release dated 11-Jul-23).

Resource Category	Tonnes (Mt)	Au (g/t)	Contained Gold (Ounces)
Inferred	3.4	1.4	150,000

Using a 0.5 g/t Au lower cutoff grade

Develin Creek Copper-Zinc-Gold-Silver Project Mineral Resource

Following Zenith drilling at Develin Creek in 2014, 2021 and 2022, an updated Mineral Resource estimate was completed for the Company's 100% owned, Develin Creek project located in Queensland (ASX Release 8-Aug-22). Note the project was divested subsequent to year end.

The Zenith drilling verified the past results that extended and improved the geological interpretation. The Mineral Resource is interpreted and reported at a 0.5% Cu eq (copper equivalent) cut-off suitable for open pit assessment.

The updated Mineral Resource for the Sulphide City – Scorpion – Window copper – zinc deposits at the 0.5% Cu eq cut-off includes:

Resource Category	Tonnes (Mt)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Indicated	2.2	1.3	1.3	0.2	8
Inferred	2.7	1.1	1.4	0.2	7
TOTAL	**4.9**	**1.2**	**1.4**	**0.2**	**7**
Note: Copper equivalence CuEq = (Cu + 0.45*Zn) and based on current rounded metal prices in June 2022 of A$8400/tonne Cu, A$3300/t Zn and preliminary recoveries for Cu of 72% and Zn or 82%.					

This update represents a 90% increase in tonnage and a 30% increase in overall contained metal from the previous estimate announced on 15-Feb-2015. This difference is attributed in part to a lower cut-off grade for reporting, but is also the result of resource extensions from recent Zenith drilling, as well as a more robust interpretation that captures more or the mineralisation.

The estimate does not include the massive copper-zinc sulphide mineralisation identified at Snook and other prospects to the south, also within the Develin Creek project area. Post year-end the Develin Creek project was divested to QMines Limited (refer ASX Release 24-Aug-23).

Red Lake Manganese Mineral Resource

There was no change to the Red Lake Inferred Mineral Resource for manganese previously released to the ASX in August 2014.

Red Lake Manganese Mineral Resource Estimate as at August 2014									
Classification	**Reporting Cut-off Grade**	**Tonnes (Mt)**	**Mn %**	**Fe %**	**SiO2 %**	**Al_2O_3 %**	**P %**	**S %**	**LOI %**
Inferred	25% Mn	0.2	30.0	14.1	13.8	7.9	0.24	0.03	12.1
	20% Mn	0.5	25.1	16.1	17.0	8.9	0.25	0.06	11.9
	15% Mn	1.1	20.8	17.7	20.5	9.3	0.24	0.17	11.5
	10% Mn	1.4	19.0	19.1	20.8	9.6	0.26	0.19	11.4
Note: The CSA Mineral Resource was estimated within constraining wireframe solids based on the specified nominal lower cut-off grade for Mn. The Mineral Resource is quoted from all blocks above the specified Mn cut-off grade %. Differences may occur due to rounding.									

Lockeridge Manganese Mineral Resource

There was no change to the Lockeridge Inferred Mineral Resource for manganese previously released to the ASX on 15-Apr15.

Lockeridge Manganese Mineral Resource Estimate as at April 2015									
Classification	**Reporting Cut-off Grade**	**Tonnes (Mt)**	**Mn %**	**Fe %**	**$Si0_2$%**	**Al_2O_3 %**	**P %**	**S %**	**LOI %**
Inferred	20% Mn	1.0	30.2	7.0	18.9	4.1	0.12	0.01	5.7
	15% Mn	1.9	23.4	6.7	25.4	4.7	0.15	0.01	10.4
	10% Mn	2.6	20.6	6.9	27.6	5.1	0.16	0.01	12.0
Note: The Mineral Resource was estimated within constraining wireframe solids based on the specified nominal lower cut-off grade for Mn. The Mineral Resource is quoted from all blocks above the specified Mn cut-off grade %. Differences may occur due to rounding.									

Mineral Resource Governance and Internal Controls

Zenith Minerals Limited ensures that the Mineral Resource estimates quoted are subject to governance arrangements and internal controls. All the Company's Mineral Resources have been estimated by independent third-party competent persons, or for selected inferred resources, by suitably qualified and experienced Company personnel.

All resources have been subject to review by Zenith Minerals Limited technical staff and by a subcommittee appointed by the Board of Directors. The Company re-affirms that its Mineral Resources are reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition.

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.

The information in this report that relates to the Develin Creek Mineral Resources is based on information compiled by Mr John Horton, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full-time employee of ResEval Pty Ltd. Mr Horton 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 Horton 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 the Lockeridge and Red Lake 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. 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.

INVESTMENTS

At year end the Company has investments in various listed entities because of project-based transactions.

Bradda Head Holdings Ltd (LON & TSX-V:BHL) 43.9M shares	Alien Metals Ltd (LSE AIM:UFO) 7.827M shares
Rumble Resources Ltd (ASX:RTR) 3.9M shares	Bindi Metals Ltd (ASX:BIM) 1.25M shares

Zenith Minerals Limited (Zenith) signed a binding, but conditional agreement, that grants unlisted company WA Rare Earths Pty Ltd (WRE) an option to acquire 80% legal and beneficial interest in a rare earth element (REE) project portfolio (REE portfolio) held by Zenith (ASX Release 8-May-23).

The REE portfolio includes 6 granted exploration licences (EL's) and 2 exploration licence applications (ELA's) in Western Australia covering a total of approximately 1,400km2.

Subject to certain conditions, Zenith will receive $2,000,000 worth of fully paid ordinary shares in the capital of WRE, as at completion of an initial public offering (IPO) and retain a 20% free carried interest in the REE portfolio, until such time that WRE announces to ASX a bankable feasibility study on any portion of the REE portfolio.

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.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity, being Zenith Minerals Limited and subsidiaries ("the Consolidated Entity") it controlled at the end of, or during, the year ended 30 June 2023, and the auditors' report thereon.

1. DIRECTORS

The Directors of the Consolidated Entity at any time during or since the end of the financial year and up to the date of this report, unless otherwise stated are:

David J E Ledger	Executive Chairman, appointed 2 May 2022
Qualifications:	MAICD, SFA (UK)
Experience:	David Ledger has spent over 35 years in investment banking with experience working in the United Kingdom and Australia. He is a former Executive Director of a major European Bank and has been advising institutional and corporate clients throughout his career. He currently works in Sydney in his own advisory firm, working across multiple sectors.
Other Current Directorships:	None
Former Directorships (last 3 years):	None
Special Responsibilities:	Corporate and investor relations
Interest in Shares:	350,000 as of 30 June 2023
Interest in Options	None
Contractual Right to Shares:	None

Michael J Clifford	Managing Director, appointed 18 March 2014
Qualifications:	BSc. (Hons), 1987, MSc
Experience:	Mick Clifford is a geologist with over 35 years' experience in the exploration industry. Mick held senior technical and business development roles and explored for most major metal commodities during a successful career with Billiton Australia, Acacia Resources and AngloGold Ashanti, rising to the position of Regional Exploration Manager Australia. Mick was Managing Director of ASX listed PacMag Metals Ltd from 2005 until its takeover in 2010, when he co-founded private explorer S2M2 Coal Pty Ltd. He is experienced in international exploration, exploring for a broad range of commodities and has had exposure to mining and exploration in Australia, USA, Brazil, Indonesia, PNG, Angola, Democratic Republic of Congo, Mexico, Mongolia and Turkiye.
Other Current Directorships:	None
Former Directorships (last 3 years):	None
Special Responsibilities:	Technical & Corporate
Interest in Shares:	6,411,672 Ordinary Shares as of 30 June 2023
Interest in Options	2,000,000 unlisted options exercisable at $0.39 expiring 7 February 2025.
Contractual Right to Shares:	None

Stanley A Macdonald	Non-Executive Director, appointed 24 April 2006
Experience:	Stan Macdonald has been associated with the mining and exploration industry for over 25 years.
Other Current Directorships:	None
Former Directorships (last 3 years):	Gascoyne Resources Limited (Non-Executive Director from 20 April 2011, resigned 8 October 2018)
Special Responsibilities:	Company promotion and project acquisition
Interest in Shares:	6,820,072 Ordinary Shares as of 30 June 2023
Interest in Options	4,000,000 unlisted options exercisable at $0.39 expiring 7 February 2025.
Contractual Right to Shares:	None

Andrew P Bruton	Non-Executive Director, appointed 8 December 2022
Qualifications:	B Bus, LLB, AICDM
Experience:	Andrew is an experienced company director, listed company CEO and corporate advisor. He brings over 20 years of direct experience in advancing complex mining, oil & gas and energy projects and transactions within Australia and overseas. He was the former CEO of MacArthur Minerals delivering the feasibility study on their iron ore assets. Andrew was formerly a specialist lawyer for 20 years for one of Australia's leading national firms and was awarded "Most Trusted Mining and Resource CEO 2022" by CEO Monthly Magazine.
Other Current Directorships:	None
Former Directorships (last 3 years):	Macarthur Australia Ltd (December 2020 to May 2022)
Special Responsibilities:	Corporate
Interest in Shares:	None as of 30 June 2023
Interest in Options	500,000 unlisted options exercisable at $0.211 expiring 26 May 2026 and 500,000 unlisted options exercisable at $0.248 expiring 26 May 2027
Contractual Right to Shares:	None

Geoffrey J Rogers	Non-Executive Director, appointed 20 March 2023
Qualifications:	B Juris LLB
Experience:	Geoff has been involved in the resources sector for over 30 years. As a former partner at international law firm, King & Wood Mallesons, he gathered a wealth of legal experience particularly in mergers and acquisitions and the resources area. He has been involved with significant project acquisitions and project financing for many Australian and international mining and mineral development companies. He has also previously served as in-house legal counsel for an ASX listed mining company and presently manages his own sole practice advising exploration and mining companies.
Other Current Directorships:	None
Former Directorships (last 3 years):	None
Special Responsibilities:	Corporate Law, Corporate Governance
Interest in Shares:	None as of 30 June 2023
Interest in Options	500,000 unlisted options exercisable at $0.211 expiring 26 May 2026 and 500,000 unlisted options exercisable at $0.248 expiring 26 May 2027

Contractual Right to Shares:	None
Julian D Goldsworthy	Non-Executive Director, appointed 29 August 2013 Stepped down 15 December 2022
Qualifications:	B. App. Sc. (Geology)
Emma J Scotney	Non-Executive Director, appointed 5 May 2022 Stepped down 7 February 2023
Qualifications:	LLB (Hons), B.A, GAICD, GradDipMgmt (Strategy and Finance)

'Other current directorships' mentioned above are current directorships for listed entities only, excluding directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' mentioned above are directorships held in the last 3 years for listed entities only, excluding directorships of all other types of entities, unless otherwise stated.

2. COMPANY SECRETARY

Nicholas Ong

Nicholas Ong was appointed Company Secretary on 16 November 2020.

He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment gold reconciliation. Nicholas is a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. Nicholas is currently a Company Secretary of several ASX listed companies.

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meeting of committees of directors) and number of meetings attended by each of the directors of the Group during the financial year are:

Director	DJE Ledger	MJ Clifford	SA Macdonald	JD Goldsworthy	EJ Scotney	AP Bruton	GJ Rogers
Meetings Attended	6	6	4	3	4	3	1
Meetings held during office	6	6	6	3	4	3	1

4. REMUNERATION REPORT – AUDITED

The remuneration report is set out under the following main headings:

A. Principles of Compensation
B. Key Management Personnel Remuneration
C. Equity Instruments

The information provided under headings A-C includes remuneration disclosures that are required under the Corporations Act 2001 and the Corporations Regulations 2001. These disclosures have been transferred from the financial report and have been audited.

Details of the remuneration of the key management personnel of the Consolidated Entity are set out in tables provided under heading 'B. Key Management Personnel Remuneration'. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Compensation levels for key management personnel of the entity are competitively set to attract and retain appropriately qualified and experienced Directors and Executives.

A. Principles of Compensation - Audited

The objective of the Consolidated Entity's reward framework is to ensure reward for performance is competitive and appropriate. The framework aligns executive reward with achievement of strategic objectives and creation of long-term growth and success for shareholders.

The Board ensures that remuneration satisfies the following criteria:

- competitiveness and reasonableness
- transparency
- acceptability to shareholders
- attracts and retains high calibre executives
- rewards capability, experience and performance
- performance alignment of executive compensation.

The full Board acts on behalf of Nomination and Remuneration Committee matters and is responsible for determining and reviewing the remuneration packages for its directors and executives. Remuneration of key management personnel for the year ended 30 June 2023 has been determined by the Board. In this respect consideration is given to normal commercial rates of remuneration for similar levels of responsibility that is market competitive and complementary to the reward strategy of the consolidated entity. Alignment to shareholders' interests focuses on pursuing long-term growth in shareholder wealth, consisting of growth in share price and success of the Company within an appropriate control framework. The structure of non-executive directors' remuneration and executive remuneration are separate as recommended by the Corporate Governance Council best practice.

Executive Remuneration

The consolidated entity aims to reward executives with a level of remuneration based on their position and responsibility, which has a mix of both fixed and variable components. The remuneration of executives and reward framework comprises a combination of:

- base pay and non-monetary benefits
- performance linked incentives
- share based payments
- other remuneration such as superannuation and long service leave.

Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board of Directors acting in their capacity as the Nomination and Remuneration Committee through a process that considers individual and overall performance of the Consolidated Entity and comparable market remunerations.

Performance Linked Compensation

Performance-linked remuneration consists of long-term incentives in the form of options over ordinary shares of the Consolidated Entity. Performance-linked remuneration is not based on specific financial indicators such as earnings or dividends as the Consolidated Entity is at the exploration stage and during this period is expected to incur operating losses. There is no separate profit-share plan or short-term incentive components.

Long-Term Incentive

Long-term incentives comprise of long service leave and share-based payments in the form of share options, which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder wealth. Options are granted for no consideration and do not carry voting or dividend entitlements. The exercise price of the options is determined after taking into account the underlying share price performance during the period leading up to the date of the grant. Subject to specific vesting conditions, each option is convertible into one ordinary share. There is presently no stated policy restricting key management personnel from limiting their exposure to risk in relation to options granted. The Board of Directors acting in their capacity as the Nomination and Remuneration Committee, review the long-term incentives for executives on an annual basis during its review process of the executive's performance.

A. Principles of Compensation – Audited (cont.)

Consequences of Performance on Shareholder Wealth

The overall level of key management personnel compensation takes into account the performance of the Consolidated Entity over a number of years.

Performance in respect of the current financial year and the previous four financial years is detailed in the table below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Profit/(Loss) attributable to owners of the Group	(9,314,093)	1,465,147	2,010,141	(383,397)	(695,492)
Basic Profit/(Loss) per Share	(0.0264)	0.0044	0.0027	(0.002)	(0.003)
Share Price at financial year end ($)	0.09	0.28	0.25	0.12	0.08
Changes in share price (from initial listing of 25 cents)	(0.16)	0.03	-	(0.13)	(0.17)

During the financial years noted above, there were no dividends paid or other returns of capital made by the Consolidated Entity to shareholders. The Consolidated Entity's performance is impacted by a number of factors including employee performance. The measures of performance of the Consolidated Entity set out in the table above have been taken into consideration in the determination of appropriate levels of remuneration by the Board acting in its capacity as the Nomination and Remuneration Committee.

Non-Executive Compensation

Remuneration of Non-executives comprise fees in the form of cash and statutory superannuation entitlements, quantified by having regard to industry practice and the need to obtain appropriately qualified, independent persons. Fees may contain non-monetary elements. Fees and payments to non-executive directors have regard to the demands and responsibilities of their role, which covers all main board activities and membership of applicable sub-committees.

The Board, acting as the Nomination and Remuneration Committee, reviews non-executive director fees and payments annually. The Board may receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently of other non-executive director fees, based on similar comparative roles in the marketplace. The Chairman is not present at discussions regarding the determination of his own remuneration.

Total compensation for all non-executive directors, agreed at a general meeting on 14 March 2006 is that the maximum non-executive director remuneration be $200,000 per annum.

Voting and comments made at The Consolidated Entity's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.69% of the votes received supported the adoption of the remuneration report for the year ending 30 June 2022. There was no specific feedback received at the AGM, regarding its remuneration practices.

B. Key Management Personnel Remuneration - Audited

The following table discloses the remuneration of the key management personnel of the Consolidated Entity.

The key management personnel of the Consolidated Entity consisted of the following directors:

- Mr D J E Ledger – Executive Chairman
- Mr M J Clifford – Managing Director
- Mr S A Macdonald – Non-Executive Director
- Mr J D Goldsworthy – Non-Executive Director (stepped down 15 December 2022)

- Ms E J Scotney – Non-Executive Director (stepped down 7 February 2023)
- Mr A P Bruton – Non-Executive Director
- Mr G J Rogers – Non-Executive Director

The key management personnel of Zenith Minerals Limited and subsidiaries include the directors and the following executive officers:-

		Short-Term Benefits			Post-Employment Benefits	Other Long Term Benefits	Share-Based Payments		S300A(1)(e)(i)	S300A(1)(e)(vi)
		Cash Salary & Fees $	Cash Bonus $	Non-Monetary Benefits $	Super-annuation $	Long Service Leave $	Options $	TOTAL $	Proportion of Remuneration Performance Related %	Value of Options as Proportion of Remuneration %
Non- Executive Directors:										
S A Macdonald	**2023**	**45,000**	**-**	**-**	**4,725**	**-**	**395,882**	**445,607**	**-**	**88.84%**
	2022	33,750	-	-	3,450	-	-	37,200	-	-
J D Goldsworthy	**2023**	**22,500**	**-**	**-**	**2,362**	**-**	**98,970**	**123,832**	**-**	**79.92%**
	2022	86,850	-	-	8,685	-	-	95,535	-	-
E J Scotney	**2023**	**27,187**	**-**	**-**	**2,855**	**-**	**-**	**30,042**	**-**	**-**
	2022	7,500	-	-	750	-	-	8,250	-	-
A P Bruton	**2023**	**25,282**	**-**	**-**	**2,655**	**-**	**21,809**	**49,746**	**-**	**43.84%**
	2022	-	-	-	-	-	-	-	-	-
G J Rogers	**2023**	**12,702**	**-**	**-**	**-**	**-**	**21,809**	**34,511**	**-**	**63.19%**
	2022	-	-	-	-	-	-	-	-	-
G D Riley	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	12,500	-	-	1,250	-	-	13,750	-	-
Executive Directors:										
D J E Ledger	**2023**	**255,000**	-	**-**	-	-	-	**255,000**	-	**-**
	2022	42,500	-	-	-	-	-	42,500	-	-
M J Clifford	**2023**	**280,000**	**-**	**-**	**29,400**	**-**	**197,941**	**507,341**	**-**	**39.01%**
	2022	244,658	-	-	24,466	-	19,084	288,207	-	6.62%
P J Bird	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	218,428	-	-	8,067	-	-	226,495	-	-
TOTAL	**2023**	**667,671**	**-**	**-**	**41,997**	**-**	**736,411**	**1,446,079**	**-**	-
TOTAL	2022	646,186	-	-	46,668	-	19,084	711,938	-	-

Analysis of Bonuses Included in Remuneration – Audited

No short-term incentive cash bonuses have been awarded as remuneration to directors of the Consolidated Entity or to Consolidated Entity executives.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		Remuneration linked to performance	
	2023	2022	2023	2022
Non-Executive Directors:				
S A Macdonald	100%	100%	-	-
J D Goldsworthy	100%	100%		
E J Scotney	100%	100%		
A P Bruton	100%	-		
G J Rogers	100%	-		
Executive Director:				
D J E Ledger	100%	100%	-	-
M J Clifford	100%	100%	-	-

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Service Contracts

Remuneration and other terms of employment for the other key management personnel are formalised in service agreements. The major provisions of the agreement relating to remuneration are set out below.

David J E Ledger
- Executive Chairman, appointed 2 May 2022
- Annually renewable contract
- Base salary of $255,000 per annum.
- Issue of unlisted options, subject to shareholder approval
- Three month notice period is prescribed on termination, with or without cause.

Stanley A Macdonald
- Non-Executive Director, appointed 24 April 2006
- Annually renewable contract
- Base salary of $45,000 per annum plus superannuation of 10.5%
- No notice period is prescribed on termination

Julian D Goldsworthy
- Non-Executive Director, appointed 29 August 2013, stepped down 15 December 2022
- Annually renewable contract
- Base salary of $45,000 per annum plus superannuation of 10.5%
- Additional consulting paid at daily rate.
- No notice period is prescribed on termination

Emma J Scotney
- Non-Executive Director, appointed 2 May 2022, stepped down 7 February 2023
- Annually renewable contract
- Base salary of $45,000 per annum plus superannuation of 10.5%
- No notice period is prescribed on termination

Andrew P Bruton
- Non-Executive Director, appointed 8 December 2022
- Annually renewable contract
- Base salary of $45,000 per annum plus superannuation of 10.5%
- No notice period is prescribed on termination

Service Contracts (cont.)

Geoffrey J Rogers	- Non-Executive Director, appointed 8 March 2023 - Annually renewable contract - Base salary of $45,000 per annum plus superannuation of 10.5% - No notice period is prescribed on termination
Michael J Clifford	- Managing Director appointed 18 March 2014
Terms of Agreement	- The agreement is annually renewable. To terminate the agreement, the Consolidated Entity must provide six months' notice, or the Managing Director must provide three months' notice. If serious misconduct is committed by the executive, the agreement may be immediately terminated by the Consolidated Entity. On termination, the Consolidated Entity may provide the executive with a payment in lieu of notice of termination for all or part of the notice period.
Remuneration and Benefits	- Annual base salary of $280,000 exclusive of statutory superannuation for the financial year to 30 June 2023. Salary is reviewed annually by the Board acting as the Nomination and Remuneration Committee.

C. Equity Instruments – Audited

Share-Based Compensation

i) Issue of shares

There were no shares issued to the directors and other key management personnel as part of compensation during the year ended 30 June 2023 (2022: Nil)

Options were exercised during the year using the cashless exercise method. The unpaid amount expensed as Share-Based Compensation.

ii) Options

For Zenith Minerals Limited options granted over ordinary shares during the current financial year or future reporting years affecting remuneration of directors and other key management personnel, the terms and conditions are as follows:

Share-Based Compensation (cont.)

2023:

Name	Number Options Granted	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting Date
M Clifford	2,000,000	6 Dec 2022	7 Feb 2025	$0.3900	$0.0990	Vests at date of grant
S A Macdonald	4,000,000	6 Dec 2022	7 Feb 2025	$0.3900	$0.0990	Vests at date of grant
J D Goldsworthy	1,000,000	6 Dec 2022	7 Feb 2025	$0.3900	$0.0990	Vests at date of grant
A Bruton	500,000	26 May 2023	26 May 2026	$0.2100	$0.0416	Vests at date of grant
	500,000	26 May 2023	26 May 2027	$0.2480	$0.0457	Vests 6 months from date of grant
G Rogers	500,000	26 May 2023	26 May 2026	$0.2110	$0.0416	Vests at date of grant
	500,000	26 May 2023	26 May 2027	$0.2480	$0.0457	Vests 6 months from date of grant

2022: Nil
Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised, lapsed for directors and other key management personnel as part of compensation during the year are set out below:

2023:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Director:				
D J E Ledger	-	-	-	-
M J Clifford	197,941	436,900	-	39.01%
S A Macdonald	395,882	137,125	-	88.84%
J D Goldsworthy	98,970	137,125	-	79.92%
E J Scotney	74,794	-	74,794	-
A P Bruton	21,809	-	-	43.84%
G J Rogers	21,809	-	-	63.19%

2022:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Director:				
M J Clifford	19,084	-	-	6.62%
S A Macdonald	-	-	-	-
J D Goldsworthy	-	-	-	-
P J Bird	-	-	-	-

Shares issued on exercise of options

Share-Based Compensation (cont.)

5,750,000 options granted under Zenith Minerals Limited's Employee Option Plan were exercised into ordinary shares during the year ended 30 June 2023 using the cashless exercise mechanism (2022: 1,705,828).

iii) Additional disclosures relating to key management personnel

Share Holding

The number of shares in Zenith Minerals Limited held during the financial year by each director and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2023	Ordinary Shares				
Name	Balance at the start of the year	Received as part of remuneration	Additions	Other changes	Balance at the end of the year
Directors:					
Stanley A Macdonald	5,570,072	-	1,250,000	-	6,820,072
Julian D Goldsworthy	2,726,180	-	808,615	(3,534,795)	-
Michael J Clifford	3,317,988	-	3,093,684	-	6,411,672
David J E Ledger	350,000	-	-	-	350,000
Emma J Scotney	-	-	-	-	-
A Bruton	-	-	-	-	-
G Rogers	-	-	-	-	-
Total	11,964,240	-	5,152,299	(3,534,795)	13,581,744

Option Holding

The number of options over ordinary shares in Zenith Minerals Limited held during the financial year by directors and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below:

2023:

Name	Balance at the start of the year	Granted as Remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year**	Vested and exercisable at 30 June 2023
Directors:						
Stanley A Macdonald	1,250,000	4,000,000	(1,250,000)	-	4,000,000	4,000,000
Julian D Goldsworthy	1,250,000	1,000,000	(1,250,000)	-	1,000,000	1,000,000
Michael J Clifford	4,500,000	2,000,000	(4,500,000)	-	2,000,000	2,000,000
David J E Ledger	-	-	-	-	-	-
A Bruton	-	1,000,000	-	-	1,000,000	500,000
E J Scotney	-	1,000,000	-	(1,000,000)	-	-
G Rogers	-	1,000,000	-	-	1,000,000	500,000
Total	7,000,000	10,000,000	(7,000,000)	(1,000,000)	9,000,000	8,000,000

Other Transactions with Key Management Personnel and Their Related Parties

There are no loans to directors and executives

This concludes the remuneration report, which is audited.

5. ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was mineral exploration in Australia.

Following listing on ASX on 29 May 2007, the Consolidated Entity commenced exploration activity wherever it assessed there was an opportunity of success.

There was no significant change in the nature of the activity of the Consolidated Entity during the year.

6. OPERATING & FINANCIAL REVIEW

Overview

During the year, the Consolidated Entity undertook mineral exploration activities in Australia.

Objectives

The Group's objectives are to pursue opportunities in exploration and mining for minerals in areas which are highly prospective for mineralisation.

Financial Results

The loss for the financial year ended 30 June 2023, attributable to members of the Consolidated Entity, after income tax is $9,314,093 (2022 profit: $1,465,147).

No dividends were paid or recommended for payment during the financial year ended 30 June 2023 (2022: Nil).

Review of Financial Condition

During the year, the net assets of the Consolidated Entity decreased by $8,104,002 from $26,520,101 at 30 June 2022 to $18,416,099 at 30 June 2023.

The directors consider that the Consolidated Entity holds a valuable portfolio of mineral tenements with a carrying value at 30 June 2023 of $12,334,857 (2022: $11,096,281). During the financial year, the consolidated entity impaired and wrote off capitalised exploration and evaluation expenditure of $3,616,142 (2022: $158,137) following its review of its portfolio of mineral tenements.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year ended 30 June 2023.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 28 August 2023, the Company announced that a legally Binding Term Sheet has been executed with QMines Limited (ASX:QML) for the sale of the Develin Creek Copper-Zinc Project in Queensland, for up to $4.5M in cash and shares, plus additional work commitments (refer to ASX announcement dated 28 August 2023). The Company has since received an up-front payment of $1.2M cash and $1M worth of QML shares for an initial 51% interest of the Develin Creek Copper-Zinc Project.

No other matter or material event has arisen since 30 June 2023, which has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's future state of affairs.

9. LIKELY DEVELOPMENTS

The Consolidated Entity will continue to pursue its policy of acquiring and testing attractive mineral properties with a view to developing properties capable of economic mineral production.

Further information about likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

10. ENVIRONMENTAL REGULATION

The Consolidated Entity is subject to significant environmental regulation in relation to its exploration activities from the Department of Minerals and Petroleum (West Australian operations), Code of Environmental Compliance for exploration and mineral development projects, Version 1.1 and provision of the Environmental Heritage Protection Act 1994 (Queensland operations), , Turkish Mining Law as administered by the Mining Affairs General Directorate of the Ministry of Energy and Natural Resources (Turkish operations) and aims to ensure that it complies with all relevant environmental legislation. The directors are not aware of any significant breaches during the period covered by this report.

11. INDEMNITY AND INSURANCE OF OFFICERS

The Consolidated Entity has indemnified the Directors and Officers for costs incurred by them in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity, of the Consolidated Entity, and any other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the Directors or Officers of the improper use of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Consolidated Entity.

During the financial year, the company paid a premium in relation to a contract to insure the Directors and Officers of the Consolidated Entity against liability to the extent permitted by the Corporations Act 2001. The insurance contract prohibits disclosure of the nature of the liability and the amount of the premium.

12. INDEMNITY AND INSURANCE OF AUDITORS

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

During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

13. SHARE OPTIONS

Shares Under Option

Unissued ordinary shares of Zenith Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise Price	Number under option
16 July 2021	14 July 2024	$0.379	750,000
13 July 2020	31 December 2023	$0.14	2,000,000
13 July 2020	31 December 2023	$0.16	2,000,000
6 December 2022	7 February 2025	$0.39	7,000,000
26 May 2023	26 May 2026	$0.211	500,000
26 May 2023	26 May 2027	$0.211	500,000
26 May 2023	26 May 2026	$0.248	500,000
26 May 2023	26 May 2027	$0.248	500,000

No option holder has any right under the options to participate in any other share issue of the Group.

14. SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were 6,552,299 ordinary shares issued by Zenith Minerals Limited during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted.

15. PROCEEDINGS ON BEHALF OF THE GROUP

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

16. DIVIDENDS

No dividends were paid or provided for during the year.

17. NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor (PKF) for non-audit services provided during the financial year are outlined in Note 9 to the financial statements.

The directors are satisfied that the provision for non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 due to the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethics Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

18. OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF PKF

There are no officers of the company who are former audit partners of PKF.

19. AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

20. AUDITOR

PKF Perth continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr David J E Ledger
Executive Chairman

Dated: 28 September 2023
Perth, WA.

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ZENITH MINERALS LIMITED

In relation to our audit of the financial report of Zenith Minerals Limited for the year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth
PKF PERTH

SIMON FERMANIS
AUDIT PARTNER

28 SEPTEMBER 2023
WEST PERTH
WESTERN AUSTRALIA

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CONSOLIDATED FINANCIAL STATEMENTS

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

	NOTE	Consolidated Entity 2023 $	2022 $
Revenue from continuing operations	5	1,695,960	1,118,444
Net fair value (loss)/gain on other financial assets	13	(2,565,420)	2,436,574
Interest revenue		101,236	10,084
Expense			
Employee benefits expenses		(844,070)	(579,339)
Share option-based payments	25	(736,411)	(305,594)
Depreciation	15	(22,043)	(6,341)
Premises costs		(92,859)	(113,937)
Exploration expenses		(103,810)	(39,739)
Exploration costs written off	16	(3,616,142)	-
Impairment of exploration costs	16	-	(158,137)
Impairment of trade debtors	12	(1,581,912)	-
Loss on recognition of associate	11	-	(114,421)
Impairment of investment in associate	11	(89,776)	-
Share of losses of Associate accounted for using equity method	11	(5,669)	10,437
Other operating expenses	6	(1,453,177)	(792,884)
(Loss)/Profit from continuing operations before income tax		**(9,314,093)**	**1,465,147**
Income tax expense	9	-	-
(Loss)/Profit from continuing operations after income tax benefit for the year		**(9,314,093)**	**1,465,147**
Net profit after tax from discontinued operations		**-**	**-**
Net (loss)/profit for the year		**(9,314,093)**	**1,465,147**
Other comprehensive income			
Items that might be reclassified subsequently to profit or loss:			
Foreign currency translation	20(a)	-	-
Other comprehensive loss for the year (net of tax)			
Total comprehensive (loss)/profit for the year		**(9,314,093)**	**1,465,147**
(Loss)/Profit per share		**Cents**	**Cents**
Continuing and discontinued operations			
Basic profit/(loss) per share	8	(2.64)	0.44
Diluted profit/(loss) per share	8	(2.64)	0.43

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	Consolidated Entity 2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	10	2,257,094	7,906,087
Trade and other receivables	12	120,100	171,630
Financial asset at fair value through profit or loss	13	4,318,584	7,467,583
Other current assets	14	32,010	38,260
TOTAL CURRENT ASSETS		**6,727,788**	**15,583,560**
NON-CURRENT ASSETS			
Interest in associate	11	182,265	127,710
Plant and equipment	15	52,722	16,356
Exploration and evaluation expenditure	16	12,334,857	11,096,281
TOTAL NON-CURRENT ASSETS		**12,569,844**	**11,240,347**
TOTAL ASSETS		**19,297,632**	**26,823,907**
CURRENT LIABILITIES			
Trade and other payables	17	723,111	156,451
Employee benefits	18	158,422	147,355
TOTAL CURRENT LIABILITIES		**881,533**	**303,806**
TOTAL LIABILITIES		**881,533**	**303,806**
NET ASSETS		**18,416,099**	**26,520,101**
EQUITY			
Issued capital	19	40,028,343	38,780,371
Reserves	20(a)	666,892	704,773
Accumulated losses	20(b)	(22,279,136)	(12,965,043)
TOTAL EQUITY		**18,416,099**	**26,520,101**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

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

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2022	**38,780,371**	**704,773**	**(12,965,043)**	**26,520,101**
Profit/(Loss) for the period	-	-	(9,314,093)	(9,314,093)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(9,314,093)	(9,314,093)
Transactions with owners, recorded directly in equity				
Issue of shares, net of transaction costs (note 19)	200,000	-	-	200,000
Exercise of options	1,047,972	(774,292)	-	273,680
Issue of employee options (note 25)	-	736,411	-	736,411
Balance at 30 June 2023	**40,028,343**	**666,892**	**(22,279,136)**	**18,416,099**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2021	**26,543,450**	**867,650**	**(14,430,190)**	**12,980,910**
Profit/(Loss) for the period	-	-	1,465,147	1,465,147
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,465,147	1,465,147
Transactions with owners, recorded directly in equity				
Issue of shares, net of transaction costs (note 19)	11,634,514	-	-	11,634,514
Exercise of options	602,407	(281,645)	-	320,762
Issue of employee options (note 25)	-	118,768	-	118,768
Balance at 30 June 2022	**38,780,371**	**704,773**	**(12,965,043)**	**26,520,101**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	Consolidated Entity 2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		182,385	650,236
Cash paid to suppliers and employees		(1,806,131)	(1,542,378)
Payments for capitalised exploration and expenditure		(4,775,334)	(4,767,424)
Interest received		101,236	10,084
NET CASH (USED IN) OPERATING ACTIVITIES	26	**(6,297,844)**	**(5,649,462)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of investments		583,579	-
Proceeds on sale of tenements		-	191,446
Payments for equity investments		(150,000)	(231,694)
Payments for plant and equipment		(58,408)	(4,836)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**375,171**	**(45,084)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of equity securities		-	12,000,000
Cost of issuing equity securities		-	(365,486)
Proceeds from exercise of options		273,680	133,934
Repayment of lease liability			-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**273,680**	**11,768,448**
Net (decrease)/ increase in cash and cash equivalents		(5,648,993)	6,073,904
Cash and cash equivalents at the beginning of the financial period		7,906,087	1,832,183
Effect of movement in exchange rates on cash held		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**10**	**2,257,094**	**7,906,087**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. REPORTING ENTITY

Zenith Minerals Limited and controlled entities ("Consolidated Entity") is domiciled in Australia, incorporated in Australia, publicly listed on the ASX and limited by shares. The address of the Consolidated Entity registered office and principal place of business is Level 2, 33 Ord Street, West Perth, Western Australia, 6005.

The Consolidated Entity is involved in mineral exploration.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs), Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit orientated entities.

These financial statements of the Consolidated Entity comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Consolidated Financial Statements were approved by the Board of Directors on 28 September 2023. The directors have the power to amend and reissue the financial statements. Comparative information is for period 1 July 2021 to 30 June 2022.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost and accrual accounting basis, except for the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity with supplementary information about the parent entity being included at note 29.

(c) Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Consolidated Entity's functional currency.

(d) Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses.

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

2. BASIS OF PREPARATION (cont.)

(d) Use of Estimates and Judgements (cont.)

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Exploration and evaluation expenditure

The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Key judgements are applied in considering costs to be capitalised, including determining those expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes and changes to commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

As at 30 June 2023, the carrying value of capitalised exploration expenditure is $12,334,857 (2022: $11,096,281).

Impairment of Non-Financial Assets

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less cost of disposal or value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Impairment loss recorded in the current financial year was $Nil (2022: $158,137).

Share Based Payments

The Consolidated Entity measures the cost of equity settled transactions with consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share-based payments would not impact carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity (note 25).

2. BASIS OF PREPARATION (cont.)

Estimation of Useful Lives of Assets

The Consolidated Entity determines the useful lives and related depreciation and amortisation charges for its property, plant & equipment and finite live intangible assets. Events such as technical innovations or other events could change the useful lives of assets significantly. Depreciation and amortisation charges will increase where the useful lives are less than the previously estimated lives, or technically obsolete or non-strategic assets which have been abandoned or sold will be written down or written off.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair Value Measurement Hierarchy

The Consolidated Entity is required to classify all assets and liabilities measured at fair value, using a three level hierarchy which is based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. In determining what is significant to fair value there is considerable judgement required. Therefore, the category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or use of observable inputs requiring significant adjustments based on unobservable inputs.

(e) Going concern basis of accounting

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity is engaged in mineral exploration activities and has no revenue generating activity yet. For the year ended 30 June 2023, the Consolidated Entity incurred a loss of $9,314,093 (2022: profit of $1,465,147), and experienced a cash out flows of $6,297,844 (2022: 5,649,462) on operating activities. As at 30 June 2023, the Consolidated Entity had cash & cash equivalent of $2,257,094 (2022: $7,906,087).

The Consolidated Entity’s ability to continue its exploration activities as a going concern and meet its debt obligations and commitments as and when they fall due is depended on its ability to raise sufficient equity finance at a regular frequency or alternatively dispose of its assets at a reasonable value.

As at the date of this report, the Consolidated Entity has sufficient liquidity in the form of cash, and investments in listed entities to meet its current obligations and fund the working capital at least for the next 12 months. Accordingly, this financial report has been prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

New or Amended Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material impact on the financial report as a result of adopting the new accounting standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The impact has not yet been determined.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zenith Minerals Limited (the "Company") as at 30 June 2023 and the results of all subsidiaries for the year then ended. Zenith Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity' or the 'Group'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Associates (cont.)

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Consolidated Entity's functional and presentation currency.

Foreign Currency Transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Investments and other financial assets (cont.)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Loans

Loans are recognised initially at fair value, net of transaction costs. Subsequent to initial recognition loans are measured at amortised cost using the effective interest method, less any impairment losses.

Finance costs

Finance costs directly attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred

Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a separate refund liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue (cont.)

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised in prior periods, where applicable.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable)

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply in the period in which the liability is settle or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and in the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of recognised deferred tax assets and unrecognised deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income tax (cont.)

Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

The asset is classified as current when:

i) It's either expected to be realised or intended to be sold or consumed in normal operating cycle;
ii) it's held primarily for the purpose of trading;
iii) it's expected to be realised within 12 months after the reporting period; or
iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it's either expected to be settled in normal operating cycle;
ii) it's held primarily for the purpose of trading;
iii) it's due to be settled within 12 months after the reporting period; or
iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Impairment

(i) Financial Assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(ii) Non-Financial Assets

The carrying amounts of the Consolidated Entity's non-financial assets, deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Impairment (cont.)

recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount is the higher of the assets fair value less costs of disposal and value-in-use. In value in use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call and deposits with banks or financial institutions and other short term, highly liquid investments with original maturities of three months or less, which are readily convertible to cash, and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract, (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Property, plant and equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

(i) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Consolidated Entity and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(ii) Derecognition

An item of property plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(iii) Depreciation

Depreciation is calculated on a reducing balance basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following rates are used in the calculation of depreciation:

- Plant and equipment 10% - 33%
- Motor vehicles 25%
- Office furniture and fittings 10%
- Computer and Office Equipment 33%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Where a project or area of interest has been abandoned, the expenditure incurred is written off in the year in which the decision is made.

Trade and other payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Provisions

Provisions are recognised when the Consolidated Entity has a present obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

The increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

(i) Short term employee benefits

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

(ii) Other long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payment transactions

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Employee benefits (cont.)

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted.

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fair value measurement (cont.)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial years, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the tax authority.

4. OPERATING SEGMENTS

Identification of Reportable Operating Segments

The Consolidated Entity operates in two geographical locations, Australia, and Turkey-Europe (as acquired through the 2014 acquisition), and is organised into one operating segment being mineral, mining and exploration and all of the Consolidated Entity's resources are employed for this purpose.

This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM review expenditure in exploration. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Geographical Information

	Sales to external customers		Geographical non-current assets	
	2023 $	2022 $	2023 $	2022 $
Australia	1,695,960	1,118,444	12,569,844	11,240,347
	1,695,960	**1,118,444**	**12,569,844**	**11,240,347**

5. REVENUE

	Consolidated Entity	
	2023 $	2022 $
Other Revenue		
Exploration Income - Profit on Sale of Tenement Interest	5,000	404,477
Exploration Income – JV Contributions	1,633,425	617,139
Other revenue	57,535	96,828
Revenue from Continuing operations	**1,695,960**	**1,118,444**

6. OTHER OPERATING EXPENSES

	Note	Consolidated Entity	
		2023 $	2022 $
Accounting and Admin Services		91,250	91,800
Auditors Remuneration	7	60,000	46,825
Computer Expenses		62,636	48,938
Consulting Fee		165,493	54,000
Legal Expenses		639,074	257,328
Motor Vehicle Expense		16,398	11,415
Share Registry and Securities Exchange		89,770	82,924
Fringe Benefits Tax		3,537	118
Subscriptions, Publications, Memberships		70,255	9,424
Insurance		37,406	2,834
Marketing and Media		52,620	62,002
Sundry Administration Expenses		164,738	125,276
		1,453,177	**792,884**

7. AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Group:

	Consolidated Entity 2023 $	Consolidated Entity 2021 $
Audit services		
Auditors of the Group		
Audit and review of financial report – payable to PKF Perth	60,000	46,825
Audit and review of financial report – payable to other audit firms	-	-
Total remuneration for audit services	60,000	46,825
Non-audit services	-	-
Total Audit Services	**60,000**	**46,825**

8. PROFIT/(LOSS) PER SHARE

	Consolidated Entity 2023 (Cents)	Consolidated Entity 2022 (Cents)
Continuing operations		
Basic profit/(loss) per share – cents	**(2.64)**	**0.44**
Diluted profit/(loss) per share – cents	**(2.64)**	**0.43**

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
The profit/(loss) and weighted average number of ordinary shares used in the calculation of basic and diluted profit/(loss) per share are as follows:		
(Loss)/Profit used in calculation of earnings per share		
- continuing operations	(9,314,093)	1,465,147
- discontinued operations	-	-
Weighted average number of ordinary shares for the purposes of basic profit/(loss) per share	352,380,883	329,577,580
Weighted average number of ordinary shares for the purposes of diluted profit/(loss) per share	352,380,883	344,721,432

For the year ended 30 June 2023, the consolidated entity made a loss. Therefore, the options on issue are considered anti-dilutive and diluted earnings per share is the same as basic earnings per share.

9. INCOME TAX EXPENSE

	Consolidated Entity	
	2023 $	2022 $
a) Income Tax Expense		
Current tax	-	-
Aggregate Income tax expense	-	-

	Consolidated Entity	
	2023 $	2022 $
Income tax expense is attributable to:		
Profit from continuing operations	-	-
Profit from discontinued operations		-
Aggregate income tax expense	-	-
Deferred tax - origination and reversal of temporary differences	-	-

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2023	2022
Loss before tax	9,314,093	1,465,147
Prima facie tax benefit on profit/(loss) at 25% (2021: 26%)	2,328,524	366,287
Add:		
Tax effect of:		
Other non-allowable items	23,357	25,696
Share based payments	184,103	76,399
Overs/unders from prior year	(3,812)	1,217
Tax losses not recognised	1,239,221	1,180,684
Deferred tax balances (recognised)	885,655	(1,650,283)
Income tax expense on pre-tax net profit/(loss)	-	-

	Consolidated Entity	
	2023	2022
The applicable average weighted tax rates are as follows:	0%	0%

Deferred Tax Assets
At 25% (2021: 25%)

	Consolidated Entity	
	2023 $	2022 $
Carry forward losses	8,970,706	7,741,330
Provisions and accruals	52,140	47,124
Merger/acquisition costs	4,069	4,069
Lease liability	39,334	-
Right of use asset	-	-
	9,066,249	**7,792,523**

9. INCOME TAX EXPENSE (cont.)

Tax benefit of the above Deferred Tax Assets will only be obtained if:

a) The company derives future assessable income or a nature and of an amount sufficient to enable the benefits to be utilised; and
b) The company continues to comply with the conditions for deductibility imposed by law; and
c) No changes in income tax legislation adversely affect the company in utilising the benefits.

	Consolidated Entity	
	2023 $	2022 $
Deferred Tax Liabilities At 25% (2021: 25%)		
Exploration expenditure	2,911,985	2,605,815
Capital raising costs	-	34,591
Property, plant and equipment	13,180	4,089
Financial asset	320,015	1,429,930
Prepayments	-	5,313
	3,245,180	**4,079,738**

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

10. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2023 $	2022 $
Cash at bank and in hand	1,256,094	7,905,087
Deposits at call	1,001,000	1,000
	2,257,094	**7,906,087**

a) Reconciliation to cash and cash equivalents at the end of the year.
The above figures are reconciled to cash and cash equivalents at the end of the financial year, as shown in the Statement of Cash Flows, as follows:

	2023	2022
Balances as above	2,257,094	7,906,087
Cash and cash equivalents in statement of cash flows	2,257,094	7,906,087

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 21.

11. INTEREST IN ASSOCIATE

The consolidated entity has a 26.65% (30 June 2022: 22.5%) interest in Oxley Resources Limited. The consolidated entity's investment in Oxley Resources Limited is accounted for using the equity method in the consolidated financial statements.

Summarised statement of financial position of Oxley Resources Limited.

11. INTEREST IN ASSOCIATE (cont.)

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Cash and cash equivalents	63,230	240,844
Trade and other receivables	45,459	25,499
Exploration and evaluation expenditure	610,810	494,430
Non-current assets	-	-
Trade and other payables	(35,561)	(194,169)
Net assets/ equity	683,938	566,604

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Zenith's 26.65% share (30 June 2022: 22.5%)	182,265	127,710
Impairment recognised	-	-
Zenith's carrying account of investment in Oxley Resources Limited	**182,265**	**127,710**
Summarised statement of profit or loss of Oxley Resources Limited		
Administration Costs	(21,272)	-
Loss for the period	(21,272)	-
Zenith's 26.65% share	(5,669)	-
Movement Reconciliation		
Balance at beginning of financial year	127,710	-
Payments for investment	150,000	231,694
Share of loss recognised	(5,669)	10,437
Impairment	(89,776)	(114,421)
Balance at end of financial year	182,265	127,710

12. TRADE AND OTHER RECEIVABLES

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Current		
Trade receivables (i)	1,581,582	70,900
GST receivable	120,430	98,729
Other receivables	-	2,001
Provision for impairment	(1,581,912)	-
	120,100	**171,630**

(i) The Consolidated Entity has recognised a provision for the impairment of the receivable from its joint venture partner EVM Metals Group PLC due to uncertainty on the recoverability of the receivable. Management continues to seek repayment of these JV contributions under the terms of the JV agreement.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Consolidated Entity	
	2023 $	2022 $
Current		
Listed ordinary shares – at fair value through profit and loss.	**4,318,584**	**7,467,583**
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial years.		
Opening fair value	7,467,583	4,636,593
Additions	-	394,416
Disposals	(583,579)	-
Realised loss on financial assets sold	(145,181)	-
Unrealized change in fair value	(2,420,239)	2,436,574
Closing fair value	4,318,584	7,467,583

14. OTHER CURRENT ASSETS

	Consolidated Entity	
	2023 $	2022 $
Bonds & deposits	32,010	17,010
Prepayments	-	21,250
	32,010	**38,260**

15. PLANT AND EQUIPMENT

	Consolidated Entity	
	2023 $	2022 $
Plant and equipment – at cost	26,248	25,822
Less: Accumulated depreciation	(25,309)	(24,843)
	939	979
Motor vehicles – at cost	139,570	99,570
Less: Accumulated depreciation	(104,359)	(92,242)
	35,211	7,328
Computer equipment and software – at cost	54,194	36,211
Less: Accumulated depreciation	(37,622)	(28,162)
	16,572	8,049
Carrying Amount	**52,722**	**16,356**

15. PLANT AND EQUIPMENT (cont)

a) Movement Reconciliation

	Plant & Equipment $	Motor Vehicles $	Computer Equipment & Software $	Total $
Cost				
Balance at 1 July 2021	25,822	99,570	34,348	159,740
Additions	-	-	1,863	1,863
Disposals/Write-off	-	-	-	-
Balance at 30 June 2022	**25,822**	**99,570**	**36,211**	**161,603**
Balance at 1 July 2022	25,822	99,570	36,211	161,603
Additions	426	40,000	17,983	58,409
Disposals/Write-off	-	-	-	-
Balance at 30 June 2023	**26,248**	**139,570**	**54,194**	**220,012**
Depreciation				
Balance at 1 July 2021	24,354	89,597	24,955	138,906
Depreciation for the year	489	2,646	3,206	6,341
Depreciation on asset write off	-	-	-	-
Balance at 30 June 2022	**24,843**	**92,243**	**28,161**	**145,247**
Balance at 1 July 2022	24,843	92,243	28,161	145,247
Depreciation for the year	466	12,116	9,461	22,043
Depreciation on asset write off	-	-	-	-
Balance at 30 June 2023	**25,309**	**104,359**	**37,622**	**167,290**
Carrying Amount				
At 30 June 2022	979	7,328	8,049	16,356
At 30 June 2023	**939**	**35,211**	**16,572**	**52,722**

16. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Balance at beginning of financial year	11,096,281	6,714,651
Acquisition of Hayes Hill option	250,000	-
Acquisition of Yilmia option	200,000	-
Capitalised expenditure	4,004,717	4,728,608
Less capitalised expenditure written against proceeds	-	(188,841)
Exploration expenditure impaired	-	(158,137)
Exploration expenditure written off	(3,616,141)	-
Balance at end of financial year	**12,334,857**	**11,096,281**

Exploration and Evaluation Assets

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest as well as maintaining rights of tenure.

During the financial year, the consolidated entity impaired and wrote off capitalised exploration and evaluation expenditure of $3,616,141 (2022: $158,137) following its review of its portfolio of mineral tenements, whereby decisions have been made for certain areas of interest, not to incur substantial expenditure on further exploration for and evaluation of mineral resources.

17. TRADE AND OTHER PAYABLES

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Current		
Trade payables (a)	551,213	79,145
Accrued fees and employment expenses (b)	171,898	77,306
	723,111	**156,451**

Terms and Conditions

Terms and conditions relating to the above financial instruments

a) Trade payables are non-interest bearing and are normally settled on 30 day terms.

b) Sundry creditors and accruals are non-interest bearing and have an average term of 30 days.

18. EMPLOYEE BENEFITS

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Current liabilities		
Employee benefits	158,422	147,355
	158,422	**147,355**

19. ISSUED CAPITAL

	2023 Shares No.	2023 $	2022 Shares No.	2022 $
(a) Share capital				
Fully paid ordinary shares				
Balance at beginning of year	344,762,279	38,780,371	294,360,030	26,543,450
Issue of ordinary shares (i)	1,066,305	200,000	47,906,977	12,000,000
Exercise of options (ii)	6,552,299	1,047,972	2,495,272	602,407
Costs of issue	-	-	-	(365,486)
Total	**352,380,883**	**40,028,343**	**344,762,279**	**38,780,371**

<u>2023</u>

During the year to 30 June 2023, the following changes to equity securities took place:

(i) On 19 January 2023 the Company issued 391,466 shares at $0.255 per share as part consideration for the acquisition of the Hayes Hill Lithium Nickel Project.

On 22 May 2023 the Company issued 674,839 shares at $0.148 per share as part consideration for the acquisition of the Yilmia Project.

(ii) 6,552,299 shares were issued on exercise of 8,400,000 options under the Employee Option Plan (note 25).

(b) Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets. Ordinary shares do not have a par value.

19. ISSUED CAPITAL (cont)

(c) Options

Shares Under Option

13,750,000 Unissued ordinary shares of Zenith Minerals Limited under option at the date of this report are as follows:

Issued date	Expiry date	Exercise Price	Number under option
16 July 2021	14 July 2024	$0.379	750,000
13 July 2020	31 December 2023	$0.14	2,000,000
13 July 2020	31 December 2023	$0.16	2,000,000
6 December 2022	7 February 2025	$0.39	7,000,000
26 May 2023	26 May 2026	$0.248	1,000,000
26 May 2023	26 May 2027	$0.248	1,000,000

No option holder has any right under the options to participate in any other share issue of the Group.

Information relating to Zenith Minerals Limited's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 25.

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

20. RESERVES AND RETAINED LOSSES

	Consolidated Entity	
	2023 $	2022 $
(a) Reserves		
Options reserve		
Balance at beginning of financial year	890,256	1,053,133
Issue of Staff Options	736,411	118,768
Exercise of options	(774,292)	(281,645)
Balance at end of financial year	**852,375**	**890,256**
Foreign Currency Translation Reserve		
Balance at beginning of financial year	(185,483)	(185,483)
Foreign currency translation	-	-
Balance at end of financial year	**(185,483)**	**(185,483)**
Total Reserves	**666,892**	**704,773**
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at beginning of financial year	(12,965,043)	(14,430,190)
Profit for the year	(9,314,093)	1,465,147
Balance at end of financial year	**(22,279,136)**	**(12,965,043)**

Options Reserve

The options reserve is used to recognise the benefit on the issue of options.

21. FINANCIAL INSTRUMENTS (cont.)

Foreign Currency Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Overview

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Consolidated Entity does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks identified.

Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from customers and investment securities. For the Consolidated Entity, it arises from receivables due from director-related parties. At the reporting date there were no significant concentrations of credit risk.

The consolidated entity does not hold any collateral.

Cash and Cash Equivalents

The Consolidated Entity limits its exposure to credit risk by only investing in liquid securities and only with counter parties that have an acceptable credit rating.

Trade and Other Receivables

As the Consolidated Entity operates in the mining explorer sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to Credit Risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	Consolidated Entity	
	2023 $	2022 $
Trade and other receivables	1,702,012	171,630
Trade receivables - Provision for impairment	(1,581,912)	-
	120,100	171,630

21. FINANCIAL INSTRUMENTS (cont.)

Exposure to Credit Risk (cont.)

The ageing of trade receivables included in trade and other receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Carrying amount 2023 $	2022 $	Allowance for expected credit losses 2023 $	2022 $
Not overdue	211,329	-	211,329	-
0 to 3 months overdue	31,304	-	31,304	-
3 to 6 months overdue	403,039	-	403,039	-
Over 6 months overdue	941,132	-	941,132	-
	1,586,804	-	1,586,804	-

Impairment Losses

The Consolidated Entity has recognised a provision for the impairment of the receivable from its joint venture partner EVM Metals Group PLC due to uncertainty on the recoverability of the receivable. Management continues to seek repayment of these JV contributions under the terms of the JV agreement.

The allowance accounts in respect of financial assets are used to record impairment losses unless the Consolidated Entity is satisfied that no recovery of the amount owing is possible, at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Guarantees

The Consolidated Entity's policy is to not provide financial guarantees. No guarantees have been provided during the year.

Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity (mainly cash and cash equivalents) to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Consolidated Entity does not have any external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The cashflows in the maturity analysis below are not expected to occur significantly earlier than contractually disclosed above.

Consolidated Entity – 30 June 2023

Non-derivatives	Weighted Average Interest Rate	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	Over 5 years
Non-interest bearing Trade and other payables*	-	723,111	723,111	-	-	-
Interest bearing Lease liability	-	-	-	-	-	-

* The weighted average interest rate on other payables is Nil% as it is non-interest bearing.

21. FINANCIAL INSTRUMENTS (cont.)

Consolidated Entity - 30 June 2022

Non-derivative Non Interest Bearing	Weighted Average Interest Rate	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	Over 5 years
Non-interest bearing Trade and other payables*	-	156,451	156,451			
Interest bearing Lease liability	-	-	-	-	-	-

*The weighted average interest rate on other payables is Nil% as it is non interest bearing.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Consolidated Entity is exposed to foreign currency risk through foreign exchange rate fluctuations when it enters into certain transactions denominated in foreign currency. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Currency Risk

At 30 June, the carrying amount of the Consolidated Entity's financial assets denominated in foreign currencies as detailed below.

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Financial Assets		
Cash and cash equivalents denominated in US dollars	-	-

A 5% movement in foreign exchange rates would increase or decrease the loss before tax by $Nil (2022: $Nil).

Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk, however to maintain liquidity, cash is invested for periods generally not exceeding 90 Days.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis is performed on the same basis as for 2022.

	2023 Profit or Loss		2022 Profit or Loss	
	100 bp Increase $	100 bp Decrease $	100 bp Increase $	100 bp Decrease $
Cash & cash equivalents	1,012	(1,012)	100	(100)

21. FINANCIAL INSTRUMENTS (cont.)

Fair Values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair Value Hierarchy

The table below details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

Consolidated – 30 June 2023

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets Financial assets at fair value through profit or loss	4,318,584	-	-	4,318,584
Total Assets	4,318,584	-	-	4,318,584

Consolidated – 30 June 2022

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets Financial assets at fair value through profit or loss	7,467,583	-	-	7,467,583
Total Assets	7,467,583	-	-	7,467,583

There were no transfers between levels during the financial year.

The carrying amounts of other receivables, trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2:

Unquoted investments have been valued using their share of the net asset value.

Capital Management

The Consolidated Entity's objectives when managing capital is to safeguard the Consolidated Entity's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects.

In order to maintain or adjust the capital structure, the Consolidated Entity may return capital to shareholders, issue new shares or sell assets for in-specie distributions. The Consolidated Entity's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

The Consolidated Entity monitors capital on the basis of the gearing ratio, however there are no external borrowings as at reporting date. The Consolidated Entity encourages employees to be shareholders through the issue of free options to employees.

21. FINANCIAL INSTRUMENTS (cont.)

Capital Management (cont.)

There were no changes in the Consolidated Entity's approach to capital management during the financial year. The Consolidated Entity is not subject to any externally imposed capital requirements.

22. EXPLORATION COMMITMENTS

The Consolidated Entity has certain obligations to perform minimum exploration work and expend minimum amounts on works on mining tenements in order to retain its interests in these tenements, which would be approximately $609,235 during the next 12 months (2022: $629,478). There are no commitments beyond 12 months in relation to tenements. These obligations may be varied from time to time, subject to approval and are expected to be fulfilled in the normal course of operations of the entity.

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel Compensation

	Consolidated Entity	
	2023 $	2022 $
Short-term employee benefits	667,671	646,186
Post-employment benefits	41,997	46,668
Share-based payments	736,411	19,084
	1,446,079	**711,938**

Information regarding key management personnel compensation is provided in the Remuneration Report section of the Directors Report.

24. RELATED PARTY TRANSACTIONS

(a) Parent Entity and Ultimate Controlling Parent

Zenith Minerals Limited is the parent entity and ultimate controlling entity of the Group.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 28.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 23.

(d) Transactions with Related Parties

There were no transactions with related parties other than those set out in Note 23.

(e) Outstanding balances arising from transactions with related parties

The following balances arising from transactions with related parties are outstanding as at 30 June 2023:

	Consolidated Entity	
	2023 $	2022 $
Current receivables:		
Trade and other receivables	-	-
Current payables:		
Accrued fees and employment expenses	18,232	51,105

(f) There were no loans to or from related parties at the current and previous reporting date.

All transactions were made on normal commercial terms and conditions and at market rates.

25. SHARE BASED PAYMENTS

Employee Option Plan

The establishment of the Zenith Minerals Limited's Employee Option Plan was approved by Directors resolution dated 27 February 2007. A current version of the Zenith Minerals Limited's Employee Option Plan was approved by shareholders at the Annual General Meeting held on 24th November 2016 and three years later on 20th November 2019.

The Board may offer free options to persons ("Eligible Persons") who are:

i) full time, part time or casual employees, a contractor or an associated body corporate of the Company who have accepted a written offer of engagement; or

ii) Directors of the company or any subsidiary based on a number of criteria including contribution to the Consolidated Entity, period of employment, potential contribution to the Consolidated Entity in the future and other factors the Board considers relevant.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share, in any event no later than thirty days, after the receipt of a properly executed notice of exercise and application monies. The Consolidated Entity will issue to the option holder, the number of shares specified in that notice. The Consolidated Entity will apply for official quotation of all shares issued and allotted pursuant to the exercise of the options.

Options may not be transferred other than to an associate of the holder.

Set out below is the summary of options granted under the plan:

25. SHARE BASED PAYMENTS (cont.)

Employee Option Plan (cont.)

2023:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired or Forfeited during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
01 Dec 2020	14 May 2023	$0.1097	4,500,000	-	(4,500,000)	-	-	-
14 May 2020	14 May 2023	$0.1097	650,000	-	(650,000)	-	-	-
25 Nov 2019	24 Nov 2022	$0.087	3,250,000	-	(3,250,000)	-	-	-
16 Jul 2021	14 Jul 2024	$0.3790	750,000		-	-	750,000	750,000
6 Dec 2022	7 Feb 2025	$0.390	-	7,000,000	-	-	7,000,000	7,000,000
6 Dec 2022	5 May 2025	$0.592	-	1,000,000		(1,000,000)	-	-
26 May 2023	23 May 2026	$0.211	-	1,000,000	-	-	1,000,000	500,000
26 May 2023	23 May 2027	$0.248	-	1,000,000	-	-	1,000,000	500,000
			9,150,000	10,000,000	(8,400,000)	(1,000,000)	9,750,000	8,750,000

2022:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired or Forfeited during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
01 Dec 2020	14 May 2023	$0.1097	5,750,000	-	(1,250,000)	-	4,500,000	4,500,000
14 May 2020	14 May 2023	$0.1097	1,200,000	-	(550,000)	-	650,000	650,000
25 Nov 2019	24 Nov 2022	$0.087	3,900,000	-	(650,000)	-	3,250,000	3,250,000
28 Sep 2018	28 Sep 2021	$0.18	1,650,000	-	-	(1,650,000)	-	-
16 Jul 2021	14 Jul 2024	$0.379	-	750,000	-	-	750,000	750,000
			12,500,000	750,000	(2,450,000)	(1,650,000)	9,150,000	9,150,000

Zenith Minerals Limited	Weighted average exercise price	Number of Options	Weighted average exercise Price	Number of options
	2023	2023	2022	2022
Outstanding at the beginning of the period	$0.12	9,250,000	$0.11	12,550,000
Exercised during the period	$0.17	(9,400,000)	$0.13	(4,050,000)
Granted during the period	$0.38	10,000,000	$0.38	750,000
Forfeited during the period	$0.592	(1,000,000)	-	-
Lapsed during the period	-	-	-	-
Outstanding at end of the period	$0.36	9,750,000	$0.12	9,250,000
Exercisable at the end of the period	$0.41	8,750,000	$0.12	9,250,000

25. SHARE BASED PAYMENTS (cont.)

Employee Option Plan (cont.)

For the options granted during the 2023 financial year, the valuation model inputs used in the Black-Scholes Model to determine the fair value at the grant date, are as follows:

2023:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
6 Dec 2022	5 May 2023	$0.285	$0.390	74%	-	3.24%	$0.0990
26 May 2023	26 May 2026	$0.135	$0.211	62%	-	3.24%	$0.0416
26 May 2023	26 May 2027	$0.135	$0.248	62%	-	3.24%	$0.0457

2022:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16 Jul 2021	14 Jul 2024	$0.26	$0.3790	113.00%	-	0.25%	$0.158358

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to public available information.

Total expense recognised as share-based payments for the 2023 financial year was $736,411 (2022: $305,594).

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.3 years (2022: 0.8 years).

The weighted average exercise price during the financial year was $0.12 (2022: $0.12).

26. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
(Loss)/ Profit for the year	(9,314,093)	1,465,147
Add:		
Non-cash items		
Share of losses and impairment of Associate accounted for using equity method	95,441	-
Net fair value (gain)/loss on other financial assets	2,565,420	(2,436,574)
Depreciation and amortisation	22,043	9,314
Share based payment	736,411	305,594
Profit on sale of tenements	-	(404,477)
Changes in operating liabilities:		
Decrease/(Increase) in trade and other receivables and other current assets	57,780	(92,565)
Decrease/(Increase) in exploration expenditure capitalised	(1,038,631)	(4,464,185)
Increase/(Decrease) in trade and other payables	566,718	(49,181)
Increase/(Decrease) in provisions	11,067	17,465
Net cash (used in) operating activities	**(6,297,844)**	**(5,649,462)**

(a) Non-cash investing and financing activities.
During 2023, there were no non-cash investing and financing activities to disclose other than those in Note 29.

27. SUBSEQUENT EVENTS

On 28 August 2023, the Company announced that a legally Binding Term Sheet has been executed with QMines Limited (ASX:QML) for the sale of the Develin Creek Copper-Zinc Project in Queensland, for up to $4.5M in cash and shares, plus additional work commitments (refer to ASX announcement dated 28 August 2023). The Company has since received an up-front payment of $1.2M cash and $1M worth of QML shares for an initial 51% interest of the Develin Creek Copper-Zinc Project.

No other matter or material event has arisen since 30 June 2023, which has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's future state of affairs.

28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 3.

Name	Principal place of business/country of incorporation	Ownership interest 2023 %	2022 %
Nanutarra Minerals Pty Ltd	Australia	100%	100%
Earaheedy Minerals Pty Ltd	Australia	100%	100%
Mackerel Metals Ltd (formerly S2M2 Coal Pty Ltd)	Australia	100%	100%
Mackerel Copper Pty Ltd (formerly Kalicoal Pty Ltd)	Australia	100%	100%
MKM Gold (WA) Pty Ltd	Australia	100%	-
MKM Gold (QLD) Pty Ltd	Australia	100%	-
Mamucoal Pty Ltd	Australia	100%	100%
S2M2 Eastern Coal Pty Ltd	Australia	100%	100%
Black Dragon Energy (Aus) Pty Ltd	Australia	100%	100%
Zacatecas Minerals Pty Ltd	Australia	100%	100%
Fossil Prospecting Pty Ltd	Australia	100%	100%
Caldera Metals Pty Ltd	Australia	100%	100%
Lighthouse Min Pty Ltd	Australia	100%	100%
Reel Min Pty Ltd	Australia	100%	100%
Lifeboat Min Pty Ltd	Australia	100%	100%

The Consolidated Entity is incorporated in Australia and its principal activity is exploration.

29. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2023, the parent entity of the Group was Zenith Minerals Limited.

	2023 $	2022 $
Result of Parent Entity:		
Profit (loss) for the period	(9,043,333)	1,216,770
Other comprehensive income (loss)	-	-
Total Comprehensive Income (loss) for the period	(9,043,333)	1,216,770

29. PARENT ENTITY DISCLOSURES (cont.)

	2023 $	2022 $
Financial Position of Parent Entity at Year End:		
Current assets	6,896,840	15,579,991
Total Assets	18,416,099	25,754,412
Current liabilities	798,727	303,798
Total Liabilities	798,727	303,798
Total Equity of the Parent Entity Comprising of:		
Share capital	40,028,343	38,780,371
Reserves	852,375	890,256
Retained earnings/(losses)	(23,263,346)	(14,220,013)
	17,617,372	**25,450,614**

The Parent Entity has no guarantees at 30 June 2023 (2022: Nil)

Contingent Assets and Liabilities

There are no contingent assets and liabilities at reporting date (2022: Nil) other than what is disclosed in Note 31.

30. DIVIDENDS

No dividends have been paid or provided for.

31. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities at reporting date (2022: Nil).

The Consolidated Entity has recognised a provision for the impairment of the receivable from its joint venture partner EVM Metals Group PLC due to uncertainty on the recoverability of the receivable. Management continues to seek repayment of these JV contributions under the terms of the JV agreement.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Zenith Minerals Limited:

   (a) the Financial Statements and notes thereto, are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and Remuneration Report marked as audited, and its performance for the financial year ended on that date; and

      ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) the Financial Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 2(a);

   (c) there are reasonable grounds to believe that the Company and the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

David J E Ledger
Executive Chairman

Dated: 28 September 2023
PERTH, WA

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH MINERALS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Zenith Minerals Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Zenith Minerals Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate audit opinion on these matters. For each matter below, our description of how our audit addressed this matter are provided in that context.

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1. Valuation of Capitalised Exploration Expenditure

Why significant	How our audit addressed the key audit matter
As at 30 June 2023 the carrying value of exploration and evaluation assets was $12,334,857 (2022: $11,096,281), as disclosed in Note 16. This represents 64% (2022: 41%) of total assets of the consolidated entity. The consolidated entity's accounting policies in respect of: • its use of estimates and judgements in exploration and evaluation expenditure is outlined in Note 2 (d) and; • recognition of exploration and evaluation expenditure is outline in Note 3. Significant judgement is required: • in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and • in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular: o whether the particular areas of interest meet the recognition conditions for an asset; and o which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.	Our work included, but was not limited to, the following procedures: • conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including: o assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; o holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and o obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes. • considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and • reviewing the impairment calculations provided and related assumptions and disclosures in Note 3 and 16 for accuracy and completeness.

2. Going concern basis of accounting

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2023, the Consolidated Entity incurred a loss of $9,314,093 (2022: profit of $1,465,147), and experienced a cash out flows of $6,297,844 (2022: $5,649,462) on operating activities. As at 30 June 2023, the Consolidated Entity had cash & cash equivalent of $2,257,094 (2022: $7,906,087). The Consolidated Entity is engaged in mineral exploration and has no revenue generating activity as yet. The consolidated entity has also disclosed in note 1(e) the going concern basis of accounting.	We evaluated the consolidated entity's funding and liquidity position at 30 June 2023 and the ability of the consolidated entity to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In order to assess the funding and liquidity position, we: • reviewed the process undertaken to determine the appropriateness of the use of the going concern basis; • reviewed the funding plan for the consolidated entity to achieve its future operational and program development needs; and

3. Share based payments

Why significant	How our audit addressed the key audit matter

For the year ended 30 June 2023 the value of share based payments totalled $736,411, (2022: $305,594) as disclosed in Note 25.
 	
The consolidated entity's accounting judgement and estimates in respect of share-based payments is outlined in Note 2(d). We consider this to be a key audit matter due to significant judgement required in relation to:
 	
• The valuation method used in the model; and
 	
• The assumptions and inputs used within the model.
	Our work included, but was not limited to, the following procedures:
	
	• Reviewed the valuations of options issued, including:
	  ○ assessing the appropriateness of the valuation method used; and
	  ○ assessing the reasonableness of the assumptions and inputs used within the valuation model.
	
	• Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised;
	
	• Assessed the allocation and recognition to ensure reasonable; and
	
	• Assessed the appropriateness of the related disclosures in Note 25.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

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

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

Responsibilities of Directors' for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2023.

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

Sfermanis

SIMON FERMANIS
AUDIT PARTNER
28 SEPTEMBER 2023
WEST PERTH, WESTERN AUSTRALIA

CORPORATE GOVERNANCE STATEMENT

Zenith Minerals Limited and its subsidiaries (**'Group'**) Corporate Governance Statement outlines the main corporate governance practices of Zenith Minerals Limited and its subsidiaries (**'Group'**) in place throughout the financial year ended 30 June 2023, which comply with the 3rd Edition of the Australian Securities Exchange ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, unless otherwise stated.

The Group's Corporate Governance Statement for the financial year ending 30 June 2023 is current as at 28 September 2023 and has been approved by the Board of Directors of Zenith Minerals Limited.

The Corporate Governance Statement is available on the Zenith Minerals Limited website at https://www.zenithminerals.com.au/corporate/corporate-governance-policies/ .

The company's ASX Appendix 4G, which is a checklist that cross-references the ASX Principles and Recommendations to the relevant disclosures in either this statement, the Annual Report or the company website, is contained on the website at www.zenithminerals.com.au.

ADDITIONAL SHAREHOLDERS INFORMATION

In Compliance with ASX Requirements

The shareholder information set out below was applicable as at 19 September 2023.

1. DISTRIBUTION OF EQUITY SECURITIES

a) Analysis of numbers of shareholders by size of holding – ordinary fully paid shares (ZNC)

Holding Ranges	Holders	Total Units	% Issued Share Capital
0 up to and including 1,000	464	159,040	0.05%
1,000 up to and including 5,000	732	1,926,932	0.55%
5,000 up to and including 10,000	354	2,866,855	0.81%
10,000 up to and including 100,000	925	33,091,196	9.39%
> 100,000	316	314,336,860	89.20%
Totals	**2,791**	**352,380,883**	**100.00%**

b) Number of shareholders holding less than a marketable parcel – 1,219 (at 19 September 2023).

2. PARTICULARS OF TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Shares Issued		Fully Paid Ordinary Shares	
		Number held	% of total
1	BNP PARIBAS NOMS PTY LTD <DRP>	30,458,366	8.64%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,266,815	7.45%
3	CITICORP NOMINEES PTY LIMITED	21,958,917	6.23%
4	MS NADA GRANICH	8,883,404	2.52%
5	FIRST TRUSTEE COMPANY (NZ) LIMITED <IAN ROGER MOORE A/C>	8,000,000	2.27%
6	ABINGDON NOMINEES PTY LTD <ABINGDON NOMS INVEST A/C>	7,446,353	2.11%
7	MS SUZI QUELI MIQUILINI	7,433,446	2.11%
8	BREAMLEA PTY LTD <J & E MACDONALD>	6,826,364	1.94%
9	GREENHILL ROAD INVESTMENTS PTY LTD	6,141,406	1.74%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,977,621	1.70%
11	GDR PTY LTD <THE RILEY SUPER FUND A/C>	5,000,000	1.42%
12	BREAMLEA PTY LTD <J AND E MACDONALD TRUST A/C>	4,790,091	1.36%
13	MRS PAULINE TILBROOK & MR JOHN BEVAN TILBROOK & MR JOHN EDWIN TILBROOK	4,550,000	1.29%
14	MR JOHN BEVAN TILBROOK	4,050,000	1.15%
15	TINTERN (VIC) PTY LTD <A & P MILLER FAMILY A/C>	3,828,228	1.09%
16	EV METALS GROUP PLC	3,654,677	1.04%
17	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C>	3,647,834	1.04%
18	YANDAL INVESTMENTS PTY LTD	3,588,417	1.02%
19	GREY WILLOW PTY LTD	3,450,000	0.98%
20	MR JOHN BEVAN TILBROOK & MRS PAULINE TILBROOK & MR JOHN EDWIN TILBROOK <TILBROOK SUPERFUND A/C>	3,450,000	0.98%
	TOTAL FOR TOP 20:	**172,628,056**	**48.99%**

ADDITIONAL SHAREHOLDERS INFORMATION (cont.)

3. VOTING RIGHTS

Ordinary Shares: At general meetings of the Company, each member entitled to vote may vote in person or by proxy or attorney or representative. On a show of hands every person who is a member or a representative of a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each share held.

Options: No voting rights

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

Ordinary Shares	Number held	% Interest
BNP PARIBAS NOMS PTY LTD <DRP>	30,458,366	8.64%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,266,815	7.45%
CITICORP NOMINEES PTY LIMITED	21,958,917	6.23%

5. UNQUOTED EQUITY SECURITIES

The following unquoted options are on issue:

	Number on Issue	Number of Holders
Options issued under the Company's Employee Option Plan to take up ordinary shares: - Exercisable at 37.9 cents each by 14 July 2024 - Exercisable at 14 cents expiring 31 December 2023 - Exercisable at 16 cents expiring 31 December 2023 - Exercisable at 21.1 cents expiring 26 May 2025 - Exercisable at 24.8 cents expiring 26 May 2026	750,000(1) 2,000,000(2) 2,000,000(3) 1,000,000(4) 1,000,000(5)	4 1 1 2 2
(1)Persons holding 20% or more:- A D'Hulst P Snook	67% 20%	
(2)Persons holding 20% or more: C G Nominees (Australia) Pty Ltd	100%	
(3)Persons holding 20% or more: C G Nominees (Australia) Pty Ltd	100%	
(4) Persons holding 20% or more: A Bruton G Rogers	50% 50%	
(5) Persons holding 20% or more A Bruton G Rogers	50% 50%	

ADDITIONAL SHAREHOLDERS INFORMATION (cont.)

6. On-market buyback

There is no current on-market buyback.

7. Restricted securities

There are no restricted securities on issue.

INTERESTS IN MINING TENEMENTS

PROJECT	LOCATION	TENEMENT NUMBER	HOLDER	ZENITH MINERALS INTEREST	STATUS
Earaheedy Zinc JV	WA	E69/3464	Rumble Resources Ltd Fossil Prospecting Pty Ltd	75% 25%	Granted
Earaheedy Mn	WA	E69/2733	Zenith Minerals Limited	100%	Granted
Earaheedy Mn	WA	E69/3414	Zenith Minerals Limited	100%	Granted
Earaheedy Mn	WA	R69/2	Zenith Minerals Limited	100%	Granted
Earaheedy Zinc	WA	E69/3872	Zenith Minerals Limited	100%	Granted
Earaheedy Zinc	WA	E69/3886	Zenith Minerals Limited	100%	Granted
Earaheedy Zinc	WA	E69/3887	Zenith Minerals Limited	100%	Granted
Earaheedy Zinc	WA	E69/3869	Zenith Minerals Limited	100%	Granted
Develin Creek	QLD	EPM16749	Mackerel Metals Limited	100%	Granted
Develin Creek	QLD	EPM17604	Mackerel Metals Limited	100%	Granted
Auburn	QLD	EPM27517	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Privateer	QLD	EPM27552	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Red Mountain	QLD	EPM26384	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Waratah Well	WA	E59/2170	Black Dragon Energy (AUS) Pty Ltd	Lithium JV (ZNC 100%, EVM earning 60%) other minerals 100%	Granted
Waratah Well	WA	E59/2321	Black Dragon Energy (AUS) Pty Ltd	As Above	Granted
Morris Bore	WA	E52/4028	Zenith Minerals Limited	100%	Granted
Split Rocks	WA	E77/2375	Black Dragon Energy (AUS) Pty Ltd	Lithium JV (ZNC 100%, EVM earning 60%) other minerals 100%	Granted
Split Rocks	WA	E77/2394	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2395	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2386	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2388	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2457	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2513	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2514	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2515	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2555	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2598	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	E77/2616	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	P77/4507	Black Dragon Energy (AUS) Pty Ltd	As above	Granted
Split Rocks	WA	P77/4490	Black Dragon Energy (AUS) Pty Ltd	Aust Lithium Alliance ZNC 40%, EVM 60% ZNC other minerals 100%	Granted
Split Rocks	WA	E77/2514	Black Dragon Energy (AUS) Pty Ltd	As above	Granted

INTERESTS IN MINING TENEMENTS cont.

PROJECT	LOCATION	TENEMENT NUMBER	HOLDER	ZENITH MINERALS INTEREST	STATUS
Split Rocks-Dulcie	WA	M77/1292	RR & Assoc & Highscore PL	Transfer to ZNC in progress, ZNC owns mineral rights below 6m	Granted
Hayes Hill	WA	E15/1588	Loded Dog Prospecting Pty Ltd	Option to acquire 100%	Granted
Hayes Hill	WA	E63/1773	Loded Dog Prospecting Pty Ltd	Option to acquire 100%	Granted
Yilmia	WA	E15/1760	Kalgoorlie Mining Associates Pty Ltd	Option to acquire 100% of lithium rights	Granted
Yilmia	WA	E15/1783	Kalgoorlie Mining Associates Pty Ltd	Option to acquire 100% of lithium rights	Granted
Kavaklitepe	Turkey	EL20079861	Gubretas Maden Yatirimlari Anonim Siketi	~20%	Granted