



**ZENITH**  
MINERALS

**Consolidated Interim Financial Report**

**of**

**Zenith Minerals Limited**

ABN 96 119 397 938

**for the Half-Year Ended**

**31 December 2023**

## Contents

Corporate Information .....	1
DIRECTORS' REPORT .....	2
AUDITOR'S INDEPENDENCE DECLARATION .....	22
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	23
Condensed Consolidated Statement of Financial Position .....	24
Condensed Consolidated Statement of Changes in Equity .....	25
Condensed Consolidated Statement of Cash Flows.....	26
Notes to the Condensed Consolidated Financial Report .....	27
Directors' Declaration.....	36
INDEPENDENT AUDITOR'S REVIEW REPORT .....	37

## Corporate Information

### Directors

Michael J Clifford - Director & CEO  
Stanley A Macdonald - Non-Executive Director  
Geoffrey J Rogers - Non-Executive Director  
Andrew D Grove - Non-Executive Director

### Company Secretary

Nicholas Ong

### Chief Financial Officer

Nicholas Bishop

### Registered Office and Principal Place of Business

Level 2, 33 Ord Street  
WEST PERTH WA 6005  
PO Box 1426  
WEST PERTH WA 6872  
Telephone: +61 8 9226 1110  
Email: [info@zenithminerals.com.au](mailto:info@zenithminerals.com.au)  
Website: [www.zenithminerals.com.au](http://www.zenithminerals.com.au)

### Auditors

PKF Perth  
Level 5, 35 Havelock Street  
WEST PERTH WA 6005  
Telephone: +61 8 9426 8999  
Facsimile: +61 8 9426 8900

### Share Registry

Automic Group  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000  
Level 5, 191 St Georges Terrace  
PERTH WA 6000  
GPO Box 5193  
SYDNEY NSW 2001  
Telephone: 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
Website: [www.automicgroup.com.au/](http://www.automicgroup.com.au/)

### Securities Exchange Listing

Australian Securities Exchange  
Home Exchange: Perth, Western Australia

ASX Code: ZNC

## DIRECTORS' REPORT

The Directors of Zenith Minerals Limited ("The Company") and subsidiaries ("Consolidated Entity") submit herewith the Interim Financial Report for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporation Act 2001, the Directors' report is as follows:

### Directors

The names of the Directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated are:

David J E Ledger	–	Executive Chairman (resigned 2 November 2023)
Michael J Clifford	–	Managing Director & CEO
Stanley A Macdonald	–	Non-Executive Director
Andrew P Bruton	–	Non-Executive Director (resigned 2 November 2023)
Geoffrey J Rogers	–	Non-Executive Director
Andrew D Grove	–	Non-Executive Director (appointed 14 December 2023)

### Company Secretary

Nicholas Ong

## REVIEW OF OPERATIONS

### SUMMARY OF ACTIVITIES AND RESULTS

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"). In the half-year to 31 December 2023, the Company continued with activities on the lithium portfolio and progressed divestment of non-core assets such as the Develin Creek copper-zinc project.



Figure 1- Zenith Project Locations

## ZENITH BATTERY METALS HIGHLIGHTS

Zenith regained 100% control of key lithium projects, the Split Rocks Lithium Project, and the Waratah Well Lithium Project in WA, post-year end (ASX Release 11-Jan-24) – Figure 1.

### Split Rocks Lithium Project

- Split Rocks Lithium Project (covering ~367km<sup>2</sup>) located in the Forrestania greenstone belt 30km north of the Mt Holland Lithium Mine (Sociedad Química y Minera and Wesfarmers).
- Maiden Inferred Mineral Resource (JORC 2012) for the Rio Lithium Pegmatite Deposit at Split Rocks of **11.9Mt at 0.72% Li<sub>2</sub>O** (ASX Release 28-Sep-23).
- 83 advanced lithium targets identified in December 2023 (ASX Release 7-Dec-23). Targets include the very large (>9km long by 2km wide), untested Cielo Lithium Target previously announced to ASX on 9-Feb-23, with a peak auger soil value of 880ppm Li.
- A total of 318 drill holes are fully permitted and ready for drilling, with Permits of Work in place for a further 193 AC drill holes (heritage clearance required), covering the very large Cielo lithium target and 14 other targets.
- Split Rocks is 1 of only 7 lithium deposits with a JORC mineral resource in Western Australia, outside existing lithium mining operations (Figure 2).

## Waratah Well Project

- Waratah Well Project (covering ~123km<sup>2</sup>) located ~20km northwest of the regional town of Yalgoo in the Murchinson Region, holds a potentially large lithium-caesium-tantalum pegmatite target (Figure 2).
- Multiple drill intersections at Waratah Well have returned >10m @ 1.0%Li<sub>2</sub>O (ZNC ASX Release 24-Jan-23).
- Permits are in place to commence a drilling program to further test these targets, which remain open in all directions.

With strong corporate activity in the lithium sector Zenith commenced a review of both lithium projects including the potential to seek expressions of interest from potential strategic investors. Post-year end, Zenith announced (ASX Release 15-Jan-24) that it has engaged Azure Capital to assist the Company with its strategic review of its Lithium business. This will include exploring new potential strategic investor relationships and the potential sale of its Lithium business, including the 100% owned Split Rocks and Waratah Well lithium projects in Western Australia. Azure has also been appointed as the Company's takeover response adviser.

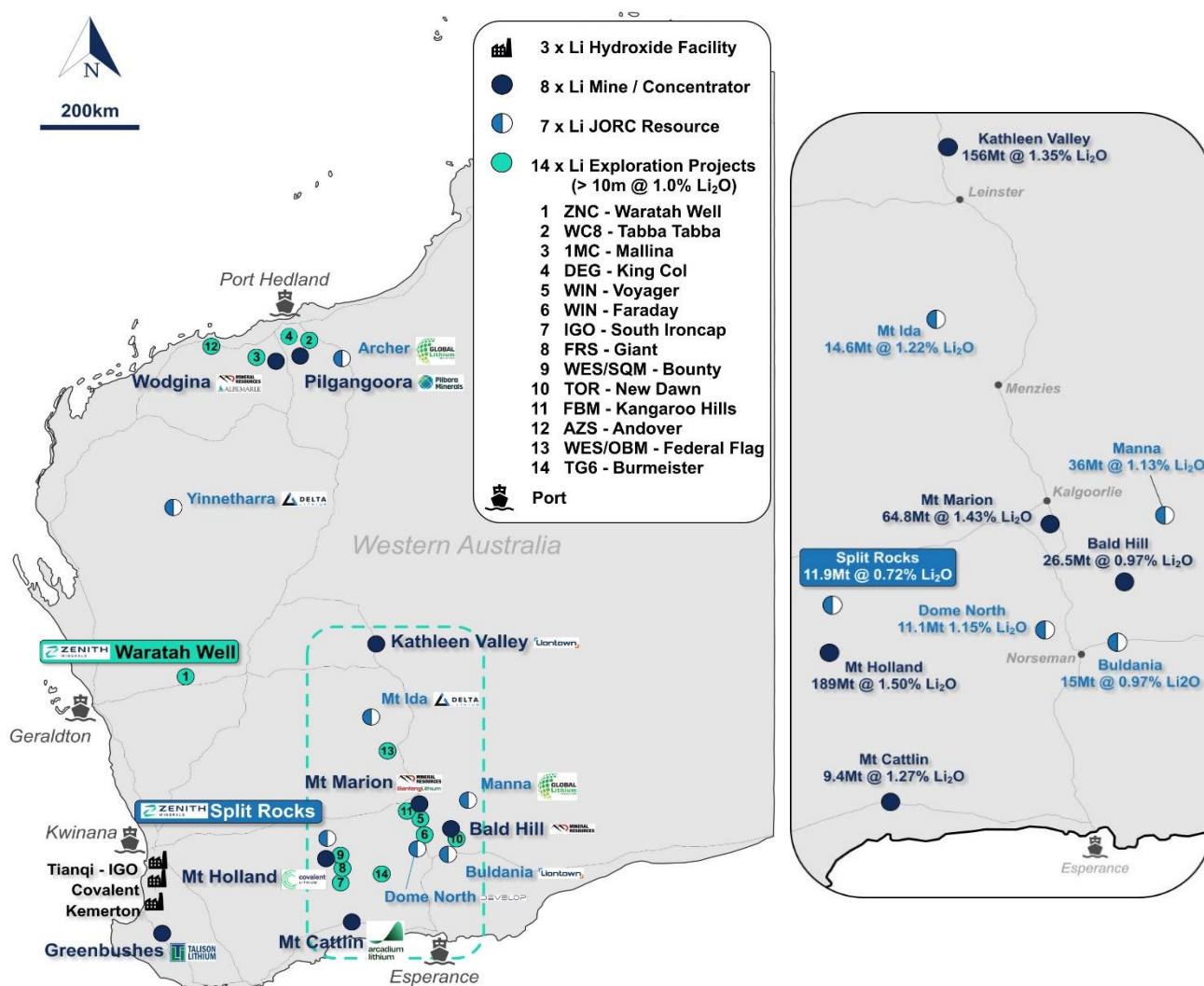


Figure 2: Split Rocks and Waratah Well Project Locations with Major Lithium Mines and Projects in Western Australia (Refer ASX Release 31-Jan-24 for cross referencing details)

## PROJECT DETAILS

### SPLIT ROCKS LITHIUM-TANTALUM PROJECT – WA

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 Mine owned by Covalent Lithium (SQM and Wesfarmers) - Figure 2.

Drilling at the Rio Prospect has returned significant lithium mineralisation (Figures 3- 6) - refer to ASX Release 16-Nov-22, culminating in a maiden Inferred Mineral Resource (JORC 2012) - ASX Release 28-Sep-23. The mineral resource for the Split Rocks Rio lithium pegmatite deposit has been estimated, using all data available as at 3-Aug-23. Drilling is currently relatively wide spaced (generally 200m x 100m).

To test the reasonable prospects for eventual economic extraction, a preliminary open pit optimisation was conducted. The resultant pit captured the majority of the lithium mineralisation; the remaining mineralisation is in shallow dipping sheets that would alternatively be amenable to low-cost room and pillar underground mining.

The Mineral Resource estimate for the Split Rocks Rio project reported at a 0.5% Li<sub>2</sub>O cutoff is shown below. The entire resource is classified Inferred and is open at depth and along strike.

**Rio Lithium Deposit Inferred Mineral Resource Estimate**

<b>Zone</b>	<b>Million Tonnes</b>	<b>Li<sub>2</sub>O %</b>	<b>Cs ppm</b>	<b>Nb ppm</b>	<b>Sn ppm</b>	<b>Ta ppm</b>	<b>Domain</b>
Upper	8.45	0.76	426	77	157	62	31
Middle	3.48	0.62	387	71	364	49	32
<b>Total</b>	<b>11.9</b>	<b>0.72</b>	<b>415</b>	<b>75</b>	<b>217</b>	<b>59</b>	<b>-</b>

#### Notes to Resource Table:

1. The Mineral Resource is estimated with all drilling data available at 3-Aug-23, and reported at a 0.5% Li<sub>2</sub>O cutoff.
2. The Mineral Resource is reported in accordance with the JORC Code 2012 Edition.
3. The Competent Person is Phil Jankowski FAusIMM of CSA Global
4. Rounding may lead to minor apparent discrepancies

Significant smoothing of lithium grades in the resource estimation process is due to the current wide drill spacing (generally 200m x 100m). Closer spaced drilling has the potential to define more discrete high-grade lithium zones that could enhance the overall lithium grade of the deposit.

Lithium mineralisation remains open to the northeast, south and at depth, with further drilling required to define the full limits.

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).

## Forward Program

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.

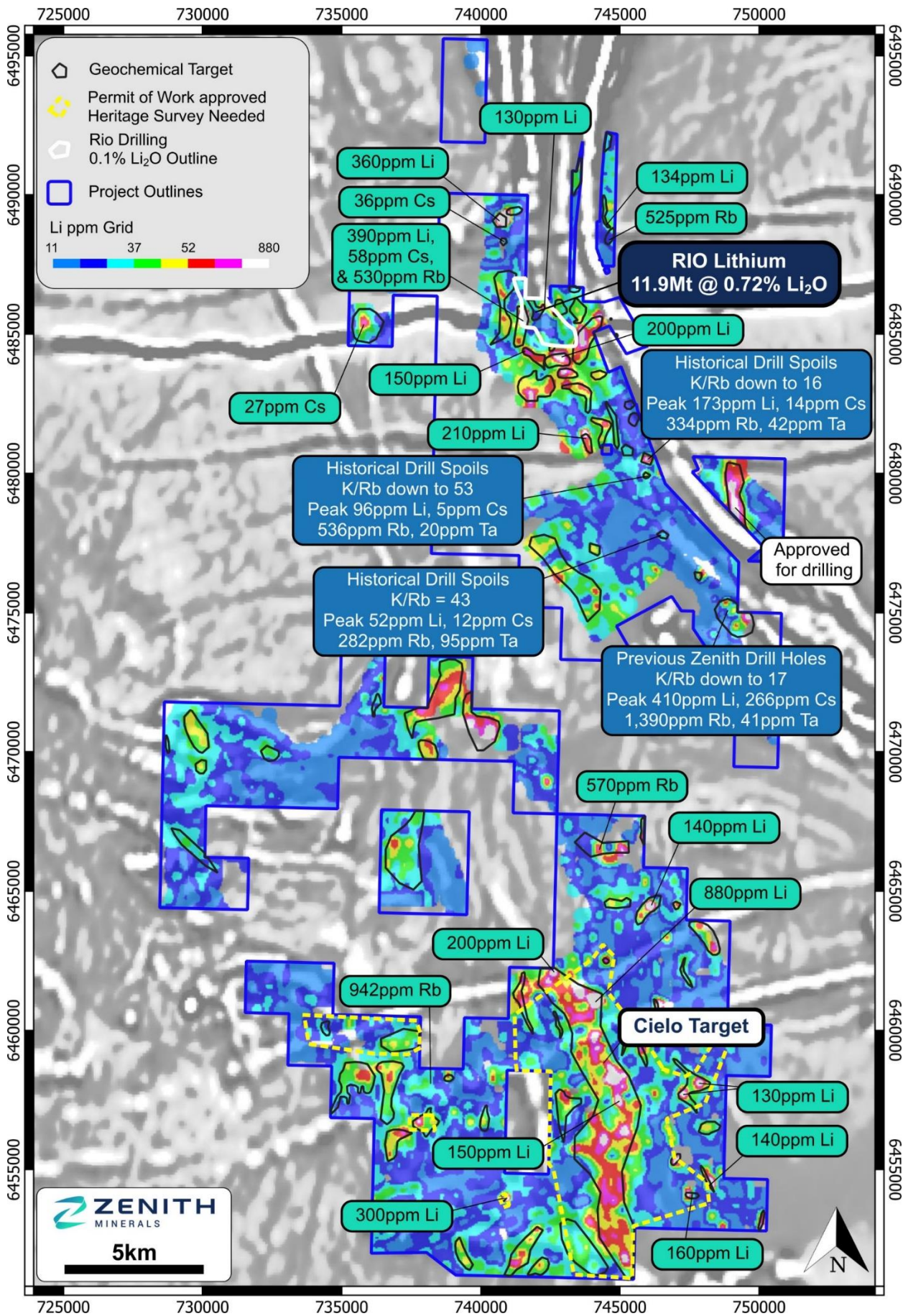
Rio is the first lithium target that was tested with extensive RC and diamond drilling and is one of > 80 targets within the Split Rocks project, that the Company wishes to drill test (ASX Release 10-Aug-23). In November 2023 an in-house review by Zenith's technical team of new surface sample assays, a review of existing soil geochemical data and assessment of historic and Zenith drill data resulted in 83 lithium targets being defined within Zenith's large tenement holding at Split Rocks (ASX Release 7-Dec-23). This was a significant increase from the 30 targets previously reported (ASX Release 10-Aug-23) – refer Figure 3. Targets include the very large (>9km long by 2km wide), untested Cielo Lithium Target previously announced to ASX on 9-Feb-23, with a peak auger soil value of 880ppm Li.

The review reassessed the surface geochemical lithium anomaly threshold at 46ppm Li (or 100ppm Li<sub>2</sub>O). This threshold was based on the surface geochemical signature surrounding the Company's Rio lithium deposit, the soil anomaly covering the Mt Holland Lithium Deposit and other competitor announcements that included soil anomalies that upon drill testing have successfully intersected significant lithium rich LCT pegmatites (refer ASX Release 7Dec-23 for further details).

Finally, a review of Zenith's drill database has defined 6 targets requiring drill follow-up that contain historic, near surface, weathered pegmatite drill intersections up to 50m thick. These pegmatites are considered highly significant, based on their LCT pegmatite chemistry (K/Rb ratio less than 50), with additional anomalous contents of Cs, Li, Ta, or Nb).

318 drill holes are fully permitted and ready for drilling (including the 50 holes at Rio), whilst Permits of Work are in place for a further 193 AC drill holes, covering Cielo and 14 additional targets.





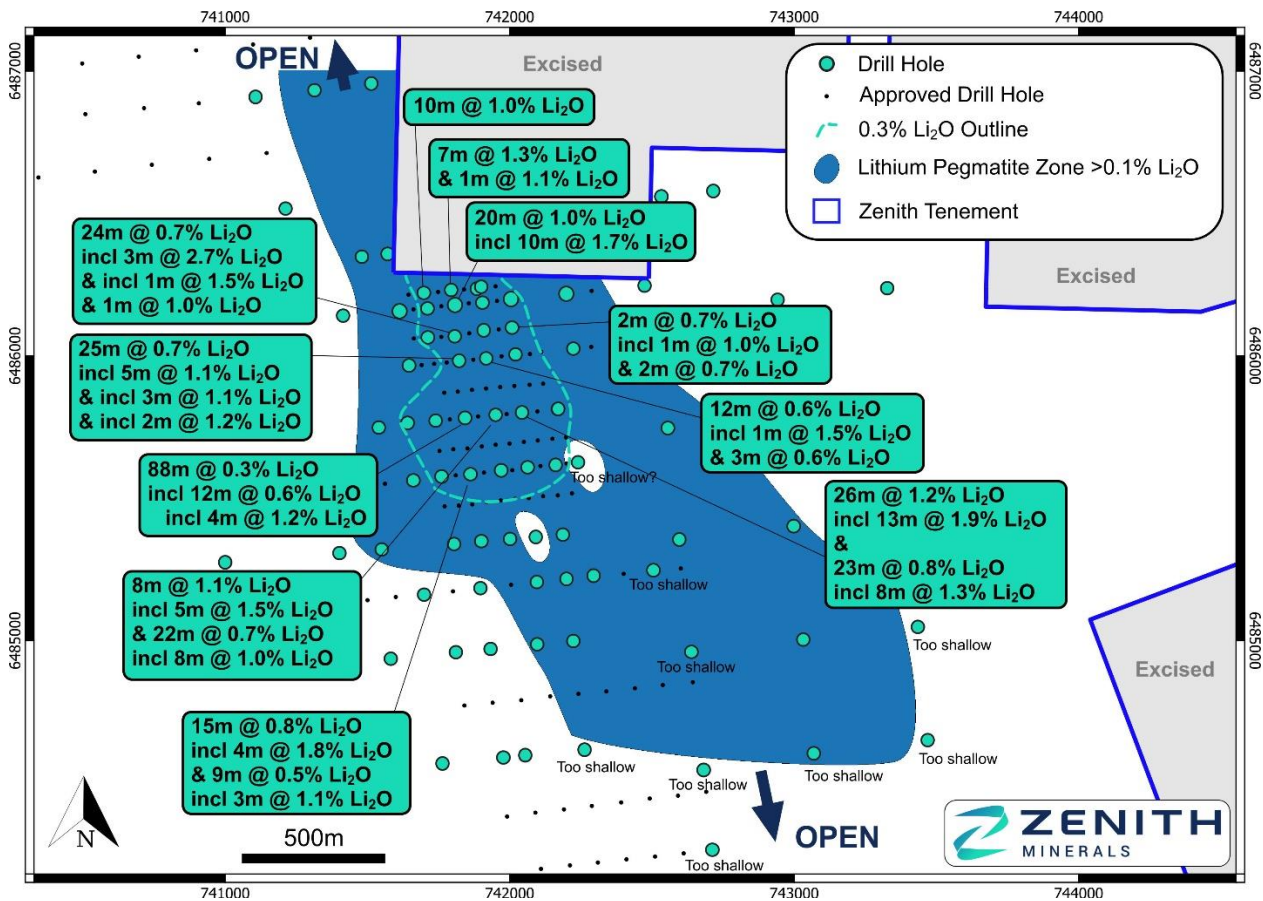


Figure 4: Rio Pegmatite – Map with Significant Lithium Drill Results

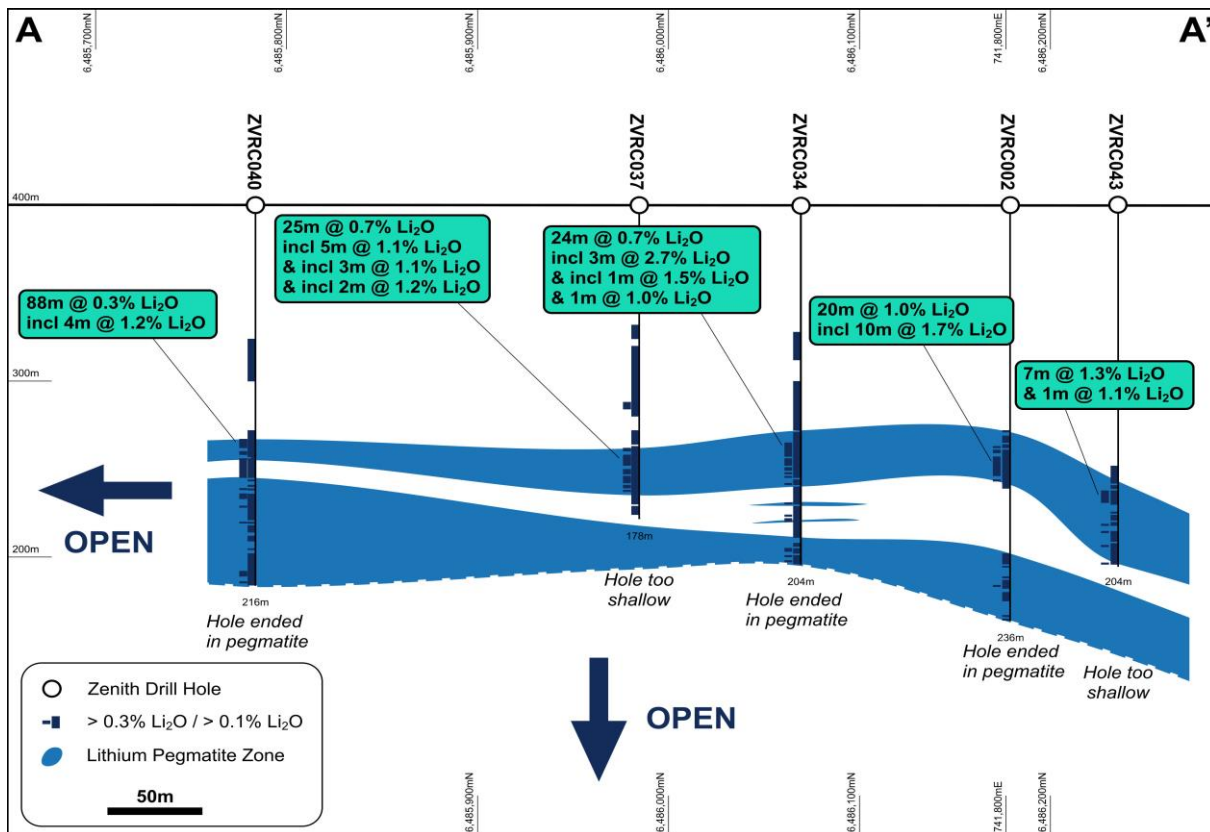


Figure 5: Rio Pegmatite – Long Section with Significant Lithium Drill Results



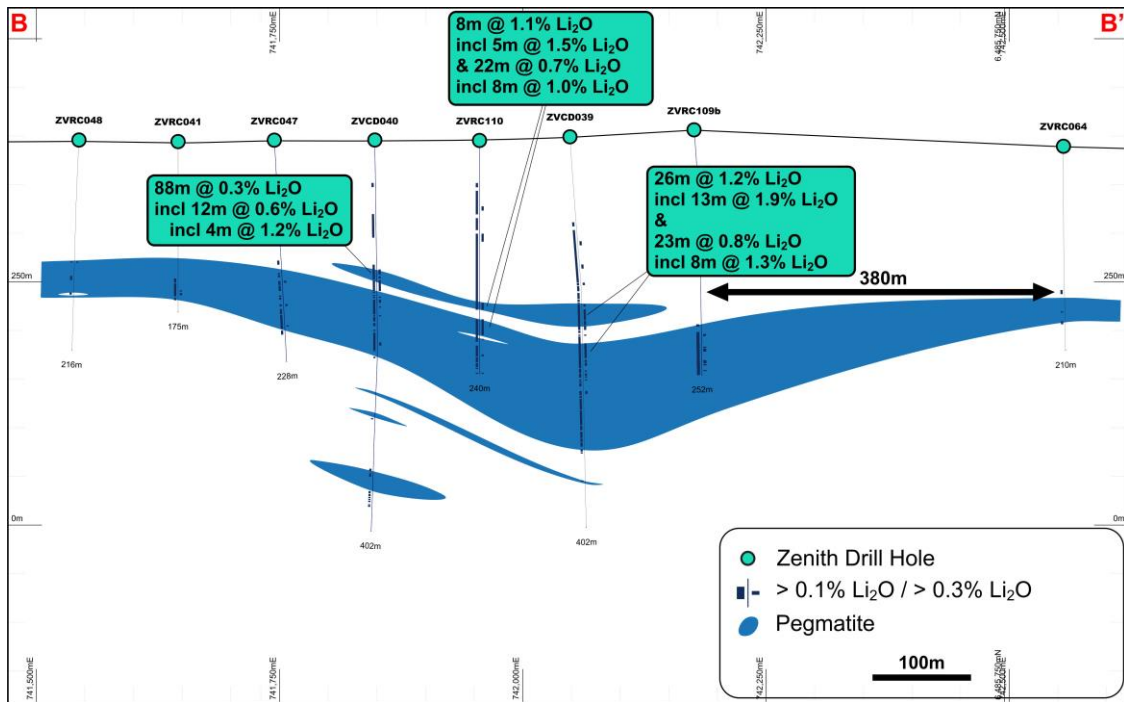


Figure 6: Rio Pegmatite – Cross Section with Significant Lithium Drill Results

## WARATAH WELL LITHIUM-TANTALUM PROJECT – WA

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 confirmed 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).

Drilling to date has confirmed the presence of high-grade lithium below the depth of weathering, refer Figures 7 & 8, (ASX Release 24-Jan-23), including:

- 14m @ 1.0%  $\text{Li}_2\text{O}$ , incl 8m @ 1.5%  $\text{Li}_2\text{O}$ .
- 10m @ 1.4%  $\text{Li}_2\text{O}$ , incl 6m @ 2.0%  $\text{Li}_2\text{O}$ .
- 27m @ 0.8%  $\text{Li}_2\text{O}$  (true width 10m), incl 12m @ 1.2%  $\text{Li}_2\text{O}$  (true width 6m).

Lithium mineralisation has been identified by laboratory XRD analysis as containing up to 84% petalite. High-grade petalite is not well documented in Western Australia but is known in several overseas deposits. An example of a lithium deposit containing significant petalite is the Arcadia lithium deposit in Zimbabwe formerly owned by Prospect Resources Ltd (ASX:PSC). Prospect reported a JORC 2012 Mineral Resource of 72Mt @ 1.06%  $\text{Li}_2\text{O}$ \* and then subsequently completed a feasibility study and pilot plant before divesting its 87% project interest for \$US378M (\$US422M on a 100% basis)\*\* as announced by ASX:PSC on 23-Dec-21, highlighting petalite as a potential significant economic contributor to lithium projects. (\*full details are disclosed in ASX:PSC Release 11-Oct-21, \*\*Refer to ASX:PSC Release 23-Dec-21).

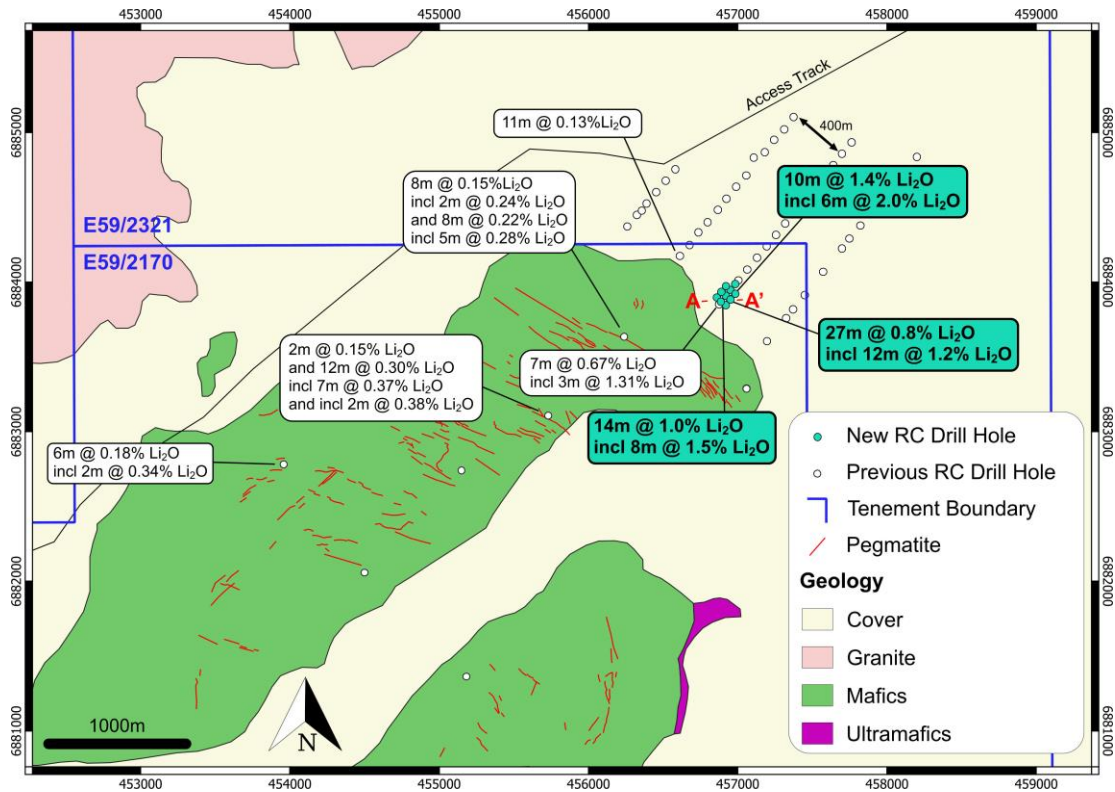


Figure 7: Waratah Well Lithium Prospect Area - Lithium Drilling Results and Location of Cross Section A-A'

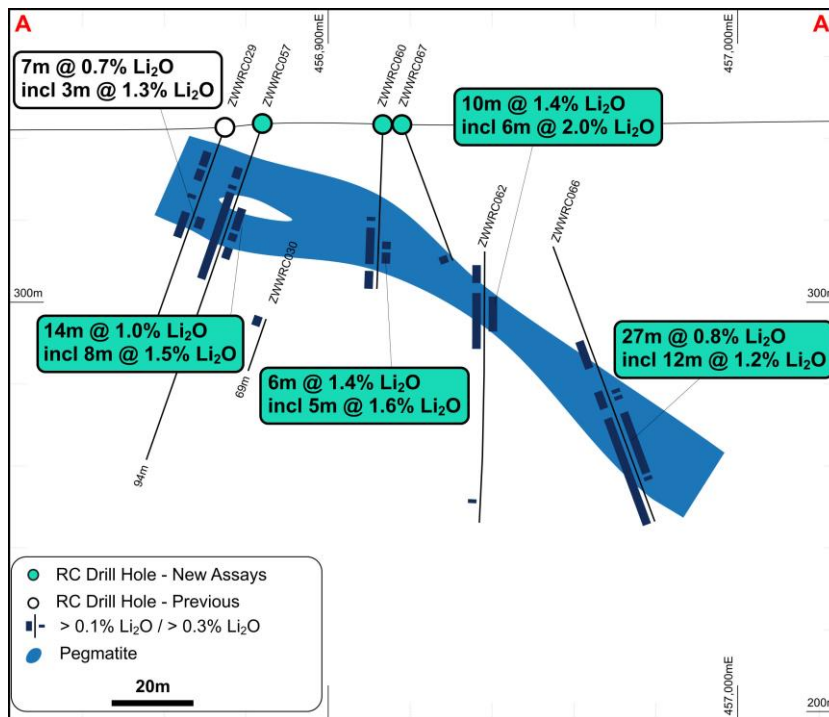


Figure 8: Waratah Well Lithium Prospect Drilling Cross Section A-A'

Heritage surveys have 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.

## HAYES HILL LITHIUM – NICKEL PROJECT – WA (Zenith option to earn 100%)

The Hayes Hill project consists of 4 granted exploration licences in a highly mineral prospective corridor with significant untested lithium, nickel and gold 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 (Figure 9).

Nickel prospective ultramafic rocks extend 18km north along strike from Galileo's (ASX:GAL) Calisto nickel-PGE discovery and 11km northwest along strike from S2 Resources' (ASX:S2R) Polar Bear nickel prospects (Gwardar, Taipan & Halls Knoll) – Refer to Figures 9.

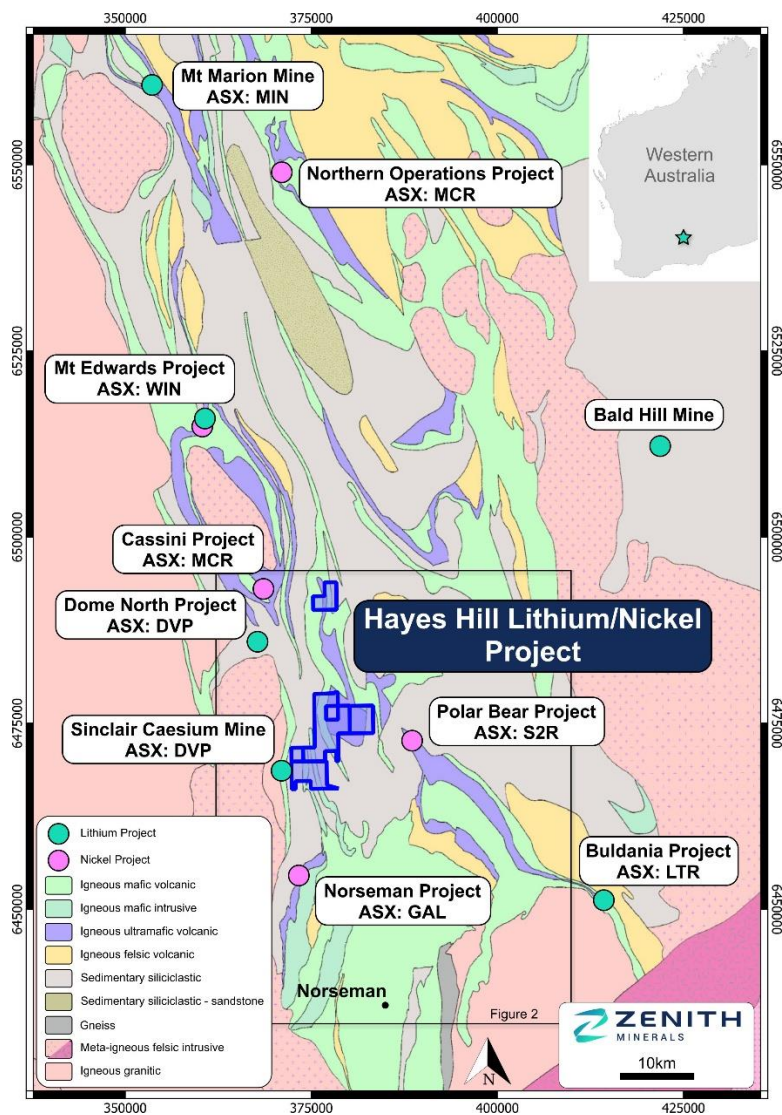


Figure 9: Hayes Hill Project Location

The project was secured as it is considered prospective for lithium. Supplementary to the lithium work, the Company is also aware that the area is in a nickel district and has therefore been conducting complementary exploration work to assess its nickel sulphide upside.

Both moving loop and fixed loop time domain electromagnetic (MLTEM /FLTEM) surveys have now defined two strong (up to 20,000 siemens) bedrock conductors, considered to be sub-surface, nickel sulphide drill targets (ASX Release 20-Nov-23).

The EM conductors lie adjacent to the well-defined surface geochemical targets at Green Bananas where recent hand auger geochemical sampling (ASX Release 4-Jul-23) returned peak assay results of 0.43% Ni, 0.44%Cu, 0.53% Co and 203ppm Pt.

Two conductors have been identified at Green Bananas HH1\_A in the south and HH1\_B in the west.

The southern target (HH1\_A) FLTEM models varied from sub-vertical to 40° N/NNW dip, conductance ~1250-6000S+, with an area size likely >200m x 200m. There appears to be an offset of the FLTEM models from those defined by MLTEM. The modelled conductor lies close to the inferred southern limb of a north plunging fold, at the contact between mafic and ultramafic rocks (Figures 10– 12).

The western drill target (HH1\_B) is best modelled as a plunging, short strike length conductor of high conductance (>20,000S) with dimensions ~75m x 250m+, occurring at an estimated depth of 50-75m to the top of the body. The conductor is modelled at the contact between mafic and ultramafic rocks (Figures 11 & 13).

The EM conductors lie adjacent to the well-defined surface geochemical targets at Green Bananas. The geochemical anomaly is consistent with nickel-sulphide geochemical fertility ratios (Ni/Cr ratio, Kambalda ratio and Ni-MgO residuals) developed by researchers based on published studies of Western Australian nickel sulphide deposits.

HH1\_B is a clear direct drill target, whilst HH1\_A will need drilling and downhole EM (DHTEM) to define potential bedrock conductors given the variability/less confidence in the MLTEM/FLTEM modelling.



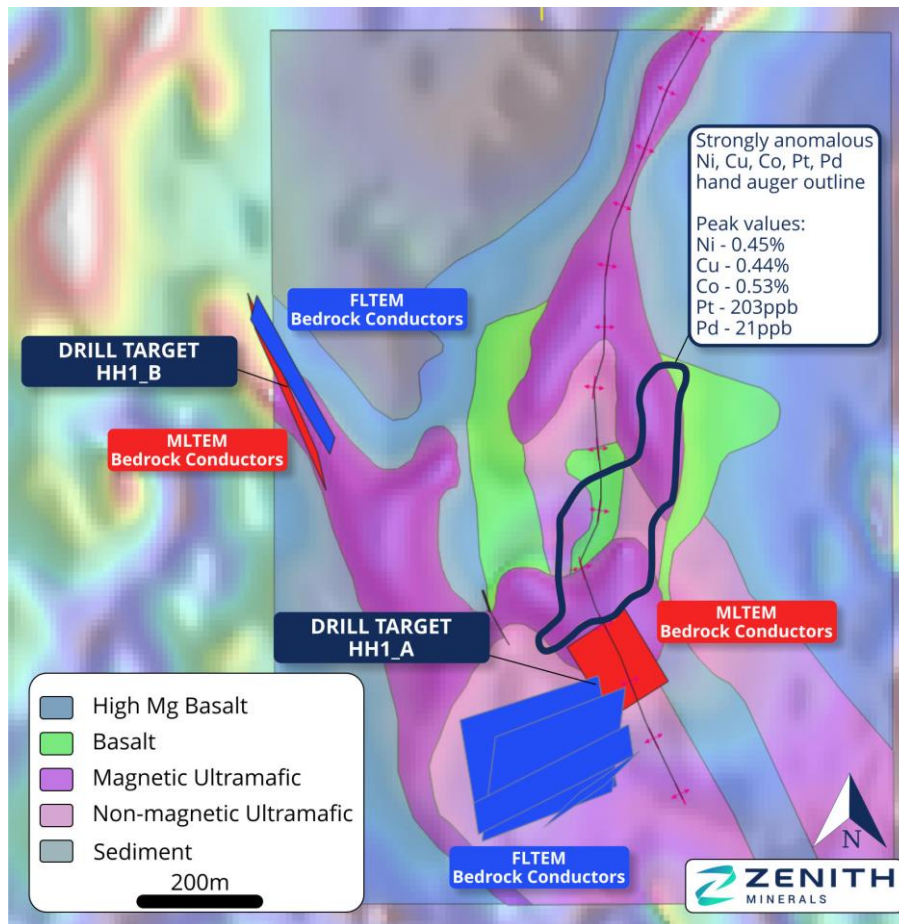


Figure 10: Plan Showing Green Bananas Nickel Sulphide Targets

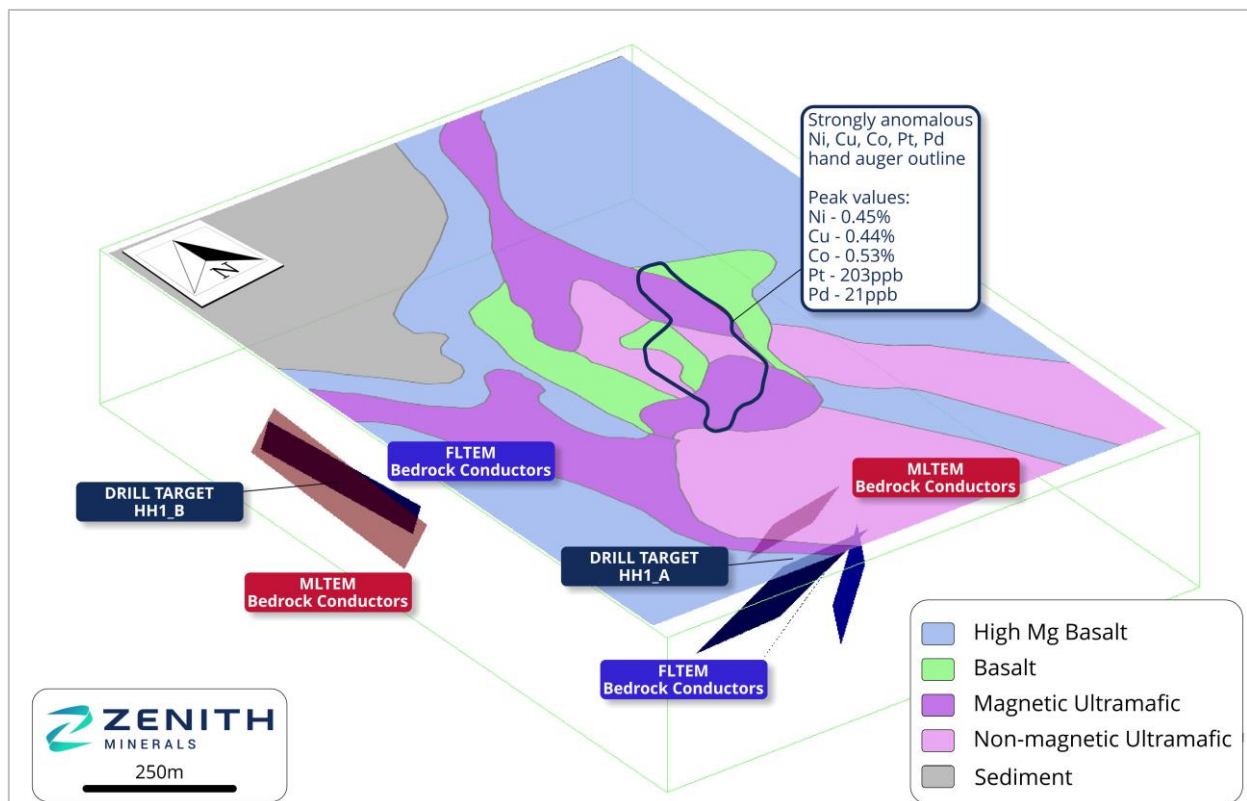


Figure 11: 3D Model of Green Bananas Nickel Sulphide Targets (view looking northeast)

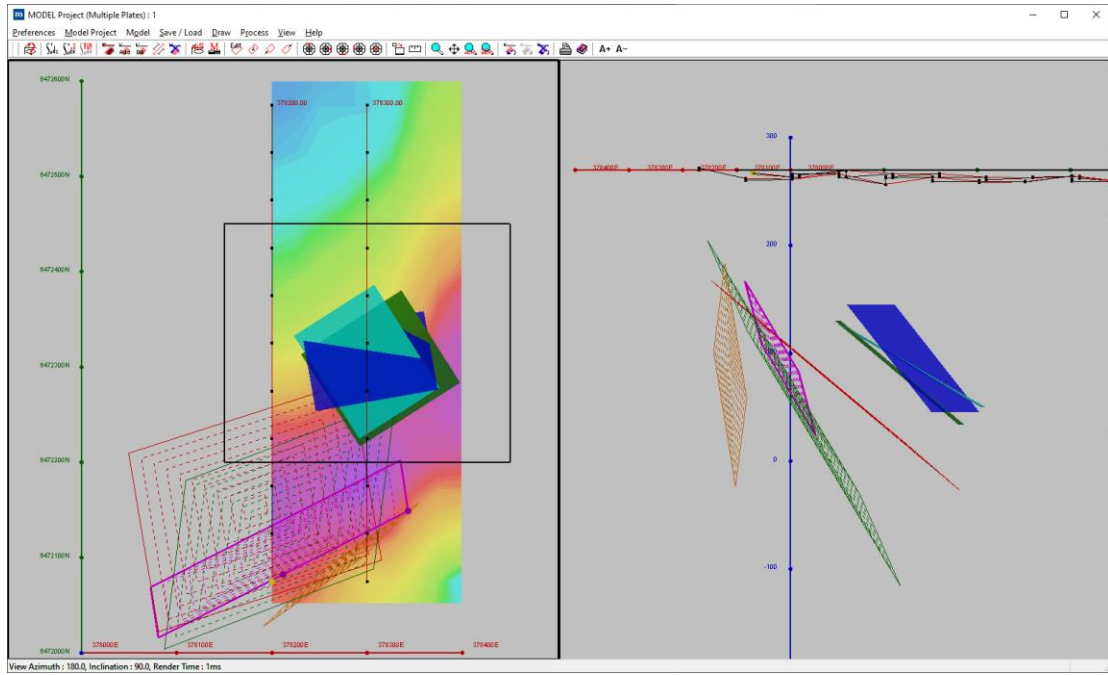


Figure 12: FLTEM & MLTEM – Green Bananas - Conductor HH1\_A Models (PLAN VIEW (CH30BZ Imagery) Cross Section ENE View (Model scenarios MLTEM plates in solid colours blue/green, FLTEM as hatched polygons)

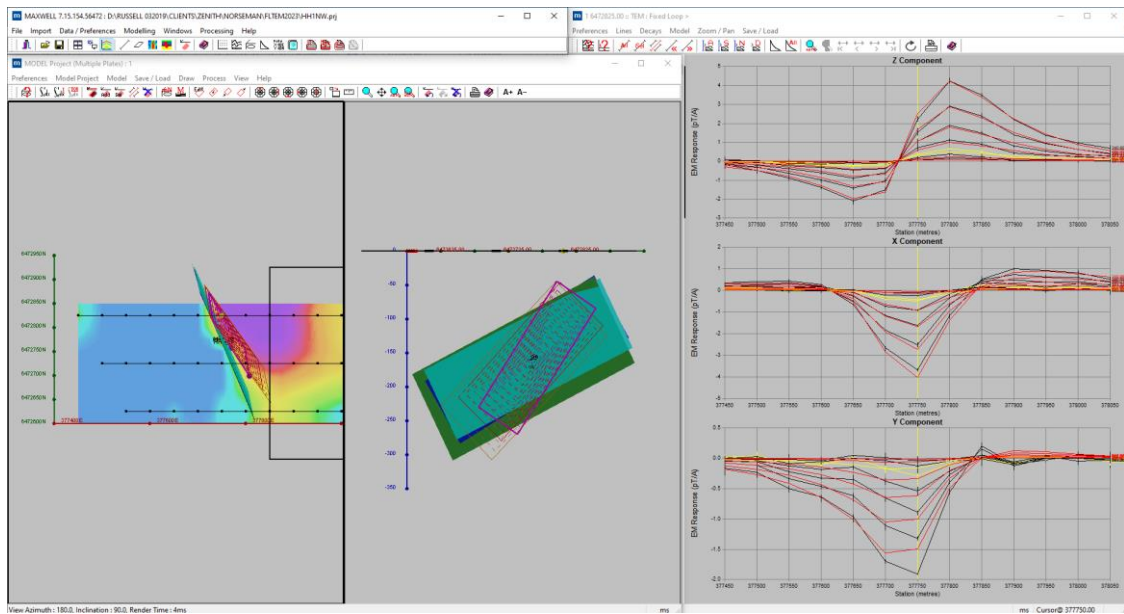


Figure 13: FLTEM & MLTEM – Green Bananas - Conductor HH1\_B Models (PLAN VIEW (CH40BZ) Cross Section – West View (Model scenarios - MLTEM plates in solid colours blue/green, FLTEM as hatched polygons)

## GOLD-COPPER & ZINC PROJECTS

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

The Earahedy Zinc Joint Venture project is located ~900km northeast of Perth and forms a key component of Zenith’s gold and base metal portfolio within an emerging Tier-1 base metal province.

In April 2023 Rumble announced a maiden, open-pit constrained, Inferred Mineral Resource Estimate (MRE) for the Chinook, Tonka and Navajoh zinc deposits that make up the Earahedy 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-Apr-23, for full details.

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

Diamond drilling to obtain a bulk sample for metallurgical testwork was completed during the half-year (ASX Release 9-Jan-24) with extensive metallurgical testwork planned to be completed in early 2024.

### **EARAHEEDY ZINC PROJECT – WA (Zenith 100%)**

The Earaaheedy Zinc Project (EZP) covers an area to the northeast and west of the Earaaheedy Joint Venture project and comprises four granted exploration licences. No exploration was completed during the half-year.

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

Zenith's Split Rocks Gold Project including the Dulcie Far North Prospect (Figure 14), on mining lease M77/1292, is situated within the Southern Cross-Forrestania Greenstone Belt located approximately 400km east of Perth.

Previously reported gold intersections<sup>(1)</sup> include:

- **19.0m @ 1.9 g/t Au from 102m in SRRC020, incl 4m @ 6.4 g/t Au from 110m**
- **12m @ 6.1 g/t Au from 108m in SRRC018, including 5m @ 10.5 g/t Au from 113m**
- **7m @ 7.8 g/t Au from 90m in ZDRC090, incl 5m @ 10.6 g/t Au from 91m,**
- **8m @ 4.2 g/t Au from 99m in ZDRC098, incl 3m @ 10.7 g/t Au from 103m,**
- **5m @ 7.4 g/t Au from 47m in ZDRC095, and**
- **9m @ 2.0 g/t Au from 57m in ZDRC095**

(1) ZNC ASX Release dated 13-Jun-23, 14-Jun-22 and 25-Jan-23

A maiden JORC (2012) Compliant Inferred Mineral Resource (using a 0.5 g/t Au lower cut) has been estimated (ASX Release 11-Jul-23) containing: **3.4 Mt 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.

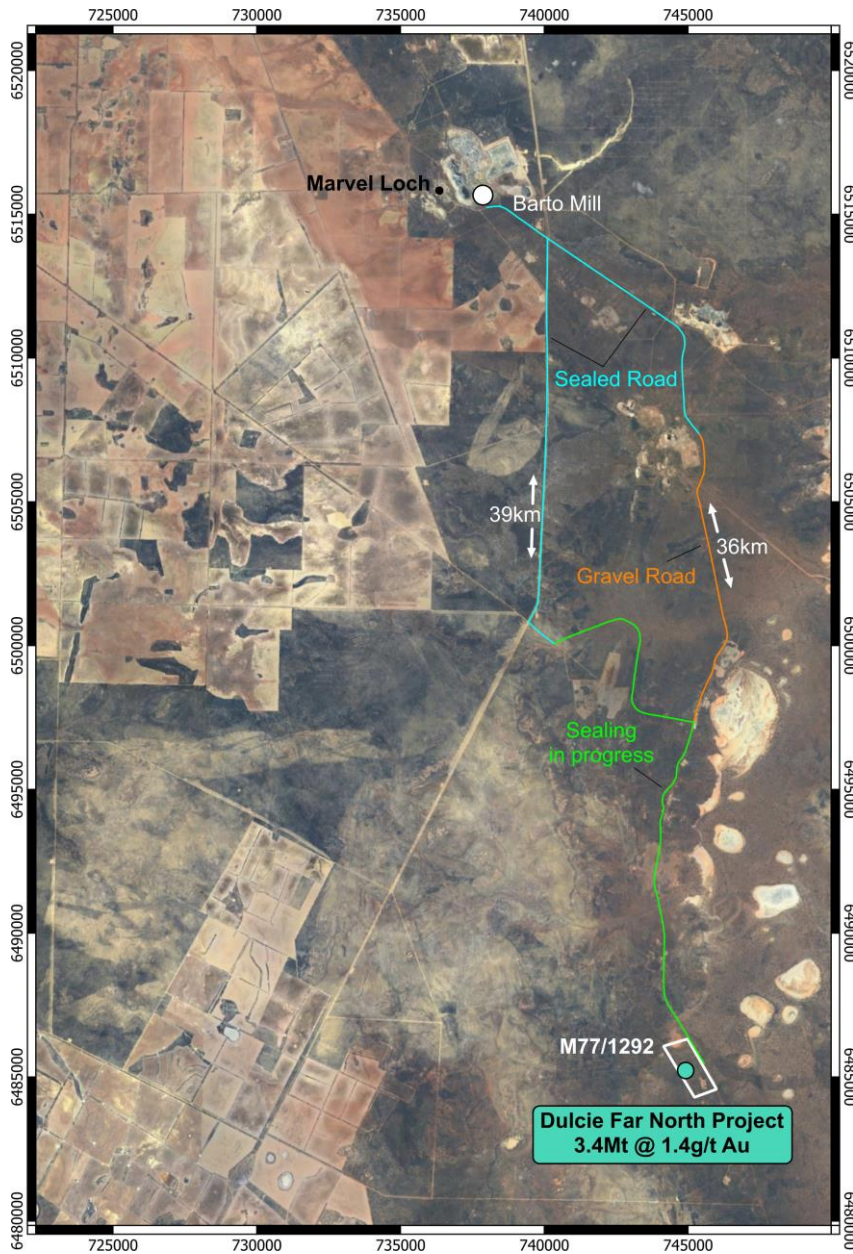


Figure 14: Split Rocks Project Location Map showing the Dulcie Far North Gold Deposit

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

An intrusive related gold system breccia pipe has been identified at the Company's Red Mountain Project in Queensland (Figures 15 and 16). Diamond drilling in 2023 confirmed the depth continuity of gold and silver mineralisation occurring as stockwork, sheeted and extensional quartz and minor base metal veins hosted primarily within rhyolite and granodiorite. Results reported (ASX Release 29-Aug-23) include:

- **118m at 0.54 g/t Au + 11.9 g/t Ag from 225m in ZRMDD052, including 12m at 1.36 g/t Au + 4.93 g/t Ag from 288m and 9m at 1.24 g/t Au + 6.30 g/t Ag from 323m**
- **11m at 0.45 g/t Au + 4.54 g/t Ag from 183m, and 11m at 1.16 g/t Au + 1.08 g/t Ag from 224m in ZRMDD051**

While true widths remain undetermined at this stage, the scale of the mineralisation encountered confirms there is excellent potential for a large mineralised system at Red Mountain.

Drilling was following up previous shallow high-grade gold intersections at Red Mountain including:

- 13m @ 8.0 g/t Au from surface in ZRMRC001, incl 6m @ 16.7 g/t Au from surface
- 15m @ 3.5 g/t Au from 57m in ZRMRC019, incl 2m @ 22.4 g/t Au from 70m
- 12m @ 4.9 g/t Au from 102m in ZRMRC021, incl 6m @ 9.4 g/t Au from 103m
- 5m @ 10.4 g/t Au from 67m in ZRMRC023, incl 1m @ 49.9 g/t Au from 67m, and
- 7.7m @ 4.4 g/t Au from 63m in ZRMCD041, incl 1m @ 19.3 g/t Au from 63m

An Induced Polarisation (IP) anomaly, previously untested at depth, was the focus of a drilling program in 2023, reflecting a likely westerly dip to the breccia pipe. The pipe has now been confirmed to dip east and the IP anomalism can be attributed to the expansive sulphidic, flow banded rhyolite (flow dome) intrusion extending westward, away from the mapped breccia pipe (Figure 17). Follow-up drilling is required to scope the lateral and depth extents of the rhyolite hosted mineralisation.



Figure 15: Red Mountain Project Location



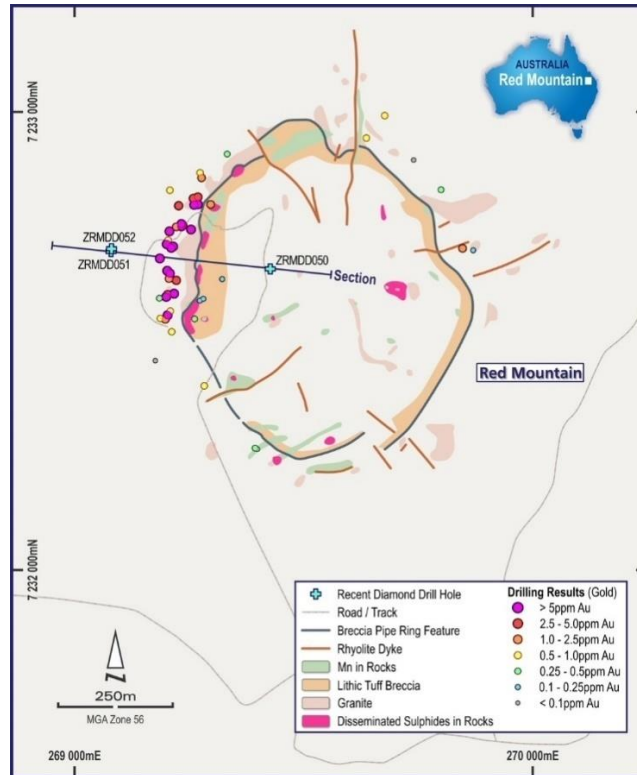


Figure 16: Red Mountain Project circular breccia pipe highlighting significant drilling results within the northwestern quadrant

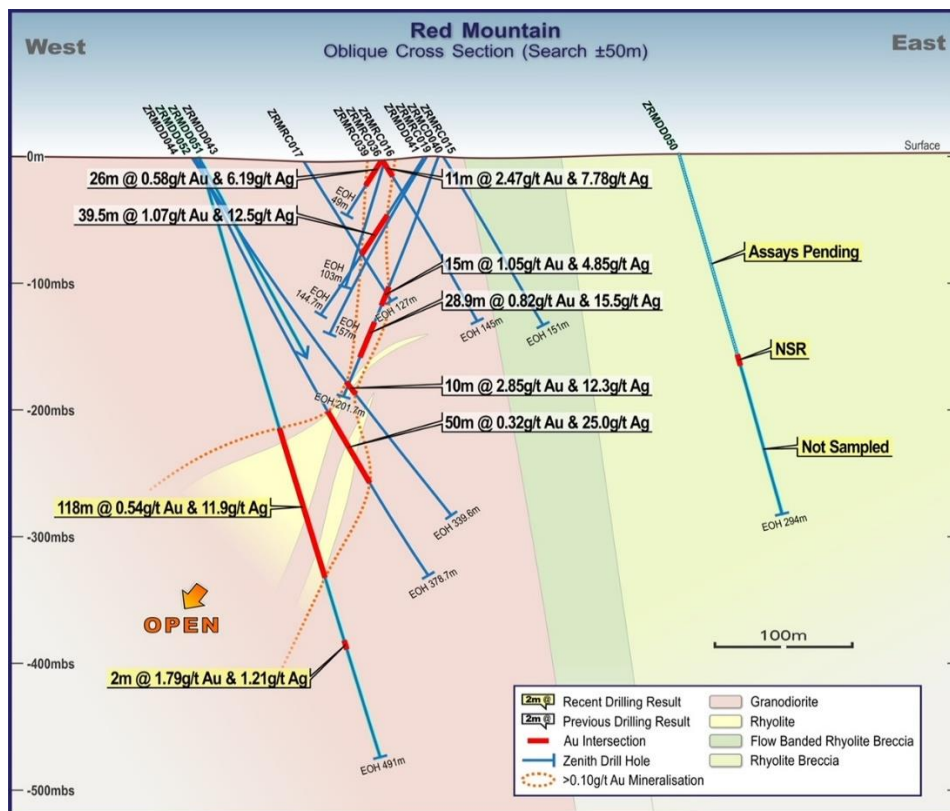


Figure 17: Cross Section through ZRMDD050 – ZRMDD052, using a 0.10 g/t Au lower cut-off

## 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 the 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 share in a 5% Net Profit Royalty.

### 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 Dulcie Far North Gold Mineral Resource 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 Split Rocks - Rio Lithium Mineral Resource is based on information compiled by Mr Phil Jankowski, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full-time employee of CSA Global. Mr Jankowski 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 Jankowski consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Material ASX Releases Previously Released

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

## CORPORATE

### Investments

The Company holds investments in various listed entities because of project-based transactions. Holdings as at 31 December 2023 were:

Bradda Head Holdings Ltd (LON & TSX-V:BHL)  
43.9M shares

Rumble Resources Ltd (ASX:RTR)  
3.2M shares

Alien Metals Ltd (LSE AIM:UFO)  
7.827M shares

QMines Limited (ASX:QML)  
8.4M shares

Oxley Resources Pty Ltd – (Zenith owns 27% shareholding).

Oxley owns the Cowarra Gold project in NSW, with multiple regional prospects and gold targets 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. S2 Resources Limited also signed an agreement with Oxley to earn a 70% interest in the Warraweena Ni-Cu project in NSW (S2R:ASX Release 4-Dec-23).

### **New Opportunities and Divestments**

The Company advises that it is currently in ongoing and incomplete negotiations in connection with potential project acquisitions and disposals. This work has included assessment of various 3rd party lithium properties. The Company will provide appropriate disclosure should negotiations and agreements be completed.

### **REE PORTFOLIO - WA**

In May 2023 Zenith signed a binding, but conditional agreement (ASX Release 8-May-23), that granted 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. The REE portfolio included 7 granted exploration licences (EL's) and 1 exploration licence applications (ELA's) in Western Australia. On 6-Oct-23 WRE advised Zenith that it would not proceed with the option to acquire the REE assets and the projects were returned to Zenith. Although clay hosted rare earth mineralisation was likely to be present, the Company considered that the potential for ionic rare earth style mineralisation within this tenement package to be low and hence all tenements were surrendered.

### **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 half-year.

### **Events after the reporting period**

As reported above Zenith regained control of its Split Rocks and Waratah Well lithium project post year end, as announced on 11-Jan-24. In addition, the Company also reported on 31-Jan-24 control of the Yilmia lithium project in Western Australia was returned to the project owner, Kalgoorlie Mining Associates, with Zenith retaining no interest.

On 22 February 2024, Zenith announced that it has received a notice from a group of shareholders under section 230D of the Corporations Act 2001 (Cth) seeking the removal of a Board member.

On 27 February 2024, Zenith announced that it has received a notice from a group of shareholders under Section 249D of the Corporation Act 2001 (Cth) seeking removal of a Board member.

On 1 March 2024, Zenith announced, further to announcements on 22 and 27 February 2024, a General Meeting of shareholders to be held on Tuesday, 2 April 2024.

There are no other matters or circumstance that have arisen since 31 December 2023 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of operations, or the consolidated entity's state of affairs in future financial years.

The Condensed Consolidated Financial Report of Zenith Minerals Limited and controlled entities ("Consolidated Entity") for the half-year ended 31 December 2023 was authorised for issue in accordance with a Resolution of the Directors on 15 March 2024.

## **Auditor's Independence Declaration**

The Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, for the half-year ended 31 December 2023 has been received and included on page 22 of the Interim Financial Report.

Signed in accordance with a Resolution of Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Michael Clifford', written in a cursive style.

**Michael Clifford**  
**Director & CEO**

Perth

Dated: 15 March 2024



PKF Perth  
ABN 64 591 268 274  
Level 5, 35 Havelock Street,  
West Perth WA 6005  
PO Box 609,  
West Perth WA 6872  
Australia

+61 8 9426 8999  
perth@pkfperth.com.au  
pkf.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE DIRECTORS OF ZENITH MINERALS LIMITED

In relation to our review of the financial report of Zenith Minerals Limited for the half-year ended 31 December 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.

A handwritten signature in black ink that reads 'PKF Perth'.

PKF Perth

A handwritten signature in black ink that reads 'Alexandra Carvalho'.

Alexandra Carvalho  
Partner

15 March 2024  
West Perth,  
Western Australia



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half-Year ended 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	137,689	1,106,736
Net fair value gain on other financial assets		-	670,056
Gain on sale of exploration assets	6	333,946	-
Share of profit of Associate accounted for using equity method		1,492	-
Reversal of impairment	6	484,427	-
Interest revenue		151,754	56,005
<b>Expenses</b>			
Employee benefits expenses		(468,397)	(426,226)
Share based payment expenses		(94,397)	(767,577)
Depreciation and amortisation expense		(16,500)	(9,326)
Premises expenses		(45,189)	(46,656)
Exploration expenses		-	(6,232)
Exploration expenditure written off	8	(1,472,385)	(2,180,180)
Impairment expense	6	-	(941,132)
Professional fees		(17,037)	(773,031)
Share of losses of Associate accounted for using equity method		-	(87,296)
Net fair value loss on other financial assets	7	(2,274,748)	-
Other operating expenses		(307,874)	(366,649)
		(3,587,219)	(3,771,508)
<b>Profit/(loss) before income tax</b>			
Income tax benefit		-	-
		(3,587,219)	(3,771,508)
<b>Profit/(loss) after income tax benefit for the period</b>			
		(3,587,219)	(3,771,508)
<b>Other comprehensive income</b>			
<i>Items that might be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		-	-
Other comprehensive income for the period (net of tax)		-	-
		-	-
<b>Total comprehensive profit/(loss) for the period</b>		(3,587,219)	(3,771,508)
<b>Profit/(loss) per share</b>		<b>Cents</b>	<b>Cents</b>
Basic profit/(loss) per share		(1.01)	(1.09)
Diluted profit/(loss) per share		(1.01)	(1.09)

*The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2023**

	Note	Consolidated 31 December 2023 \$	30 June 2023 \$
<b>Current assets</b>			
Cash and cash equivalents		1,334,957	2,257,094
Trade and other receivables	6	1,724,808	120,100
Financial assets at fair value through profit or loss	7	2,551,726	4,318,584
Other current assets		52,178	32,010
<b>Total current assets</b>		<u>5,663,669</u>	<u>6,727,788</u>
<b>Non-current assets</b>			
Interest in associate	5	183,757	182,265
Plant and equipment		37,878	52,722
Exploration and evaluation expenditure	8	9,516,511	12,334,857
<b>Total non-current assets</b>		<u>9,738,146</u>	<u>12,569,844</u>
<b>TOTAL ASSETS</b>		<u>15,401,815</u>	<u>19,297,632</u>
<b>Current liabilities</b>			
Trade and other payables		240,827	723,111
Employee benefits		115,909	158,422
Other provisions	9	121,800	-
<b>Total current liabilities</b>		<u>478,536</u>	<u>881,533</u>
<b>TOTAL LIABILITIES</b>		<u>478,536</u>	<u>881,533</u>
<b>NET ASSETS</b>		<u>14,923,279</u>	<u>18,416,099</u>
<b>Equity</b>			
Issued capital	10	40,028,343	40,028,343
Reserves	11	761,289	666,892
Accumulated losses		(25,866,355)	(22,279,136)
<b>TOTAL EQUITY</b>		<u>14,923,279</u>	<u>18,416,099</u>

*The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Changes in Equity  
For the Half-Year ended 31 December 2023**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Consolidated</b>				
<b>Balance at 1 July 2022</b>	38,780,371	704,773	(12,965,043)	26,520,101
Loss for the period	-	-	(3,771,508)	(3,771,508)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(3,771,508)	(3,771,508)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of shares, net of transaction costs	-	-	-	-
Exercise of options	1,047,972	(774,292)	-	273,680
Issue of staff options	-	767,586	-	767,586
<b>Balance at 31 December 2022</b>	39,828,343	698,067	(16,736,551)	23,789,859

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Consolidated</b>				
<b>Balance at 1 July 2023</b>	40,028,343	666,892	(22,279,136)	18,416,099
Loss for the period	-	-	(3,587,219)	(3,587,219)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(3,587,219)	(3,587,219)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of shares, net of transaction costs	-	-	-	-
Exercise of options	-	-	-	-
Issue of staff options	-	94,397	-	94,397
<b>Balance at 31 December 2023</b>	40,028,343	761,289	(25,866,355)	14,923,279

*The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Cash Flows**  
**For the Half-Year ended 31 December 2023**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>		
Receipts from customers	230,175	218,443
Payments paid to suppliers and employees	(858,102)	(1,474,863)
Payments for exploration and evaluation expenditure	(1,976,691)	(2,001,092)
Interest received	151,691	56,005
	<b>(2,452,927)</b>	<b>(3,201,507)</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(1,656)	(48,788)
Payments for investments	-	(150,000)
Proceeds for disposal of exploration assets (Note 6)	1,200,000	-
Proceeds for disposal of financial assets at fair value	332,446	198,334
	<b>1,530,790</b>	<b>(454)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares and options	-	273,680
Transaction costs related to issue of shares	-	-
	<b>-</b>	<b>273,680</b>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>273,680</b>
Net (decrease) in cash and cash equivalents held	(922,137)	(2,928,281)
Cash and cash equivalents at the beginning of the period	2,257,094	7,906,087
Cash and cash equivalents at the end of the period	<b>1,334,957</b>	<b>4,977,806</b>

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Notes to the Condensed Consolidated Financial Report For the Half-Year ended 31 December 2023

### 1. Significant Accounting Policies

#### STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting' as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Consolidated Entity's annual financial report for the financial year ended 30 June 2023, except for the impact of the Standards and Interpretations described below.

#### ADOPTION OF NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Consolidated Entity has adopted all of the new or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Going Concern Basis

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The consolidated entity incurred a loss of \$3,587,219 (2022: loss of \$3,771,508) and operating cash outflows of \$2,452,927 (2022: \$3,201,507) during the half-year ended 31 December 2023, and continues to incur expenditure on its exploration tenements drawing on its cash balances.

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing its mineral properties. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises. However, there is the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report has been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The financial report does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as going concern.

## 2. Operating Segments

The Consolidated Entity operates in geographical locations, Australia, and in Turkey-Europe (as acquired in the 2014 acquisition), and is organised into one operating segment being mineral, mining and exploration and all of the Consolidated Entity's resources and 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 as described in the 30 June 2023 Annual Report.

### Geographical Information

	Revenue		Geographical non-current assets	
	31 December 2023	31 December 2022	31 December 2023	30 June 2023
	\$	\$	\$	\$
Australia	137,689	1,106,736	9,738,146	12,569,844
	<u>137,689</u>	<u>1,106,736</u>	<u>9,738,146</u>	<u>12,569,844</u>

## 3. Revenue

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
<i>Other Revenue</i>		
Exploration income – JV Contributions	133,908	1,054,705
Other income	<u>3,781</u>	<u>52,031</u>
Revenue	<u>137,689</u>	<u>1,106,736</u>

## 4. Dividends

During the half-year ended 31 December 2023, no dividends were paid, recommended or declared.

## 5. Investment in Associate

The consolidated entity has a 26.65% (30 June 2023: 26.65%) interest in Oxley Resources Pty Ltd. The consolidated entity's investment in Oxley Resources Pty Ltd is accounted for using the equity method in the consolidated financial statements.

Summarised statement of financial position of Oxley Resources Pty Ltd

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Cash and cash equivalents	5,185	63,230
Trade and other receivables	-	45,459
Exploration and evaluation expenditure	704,176	610,810
Trade and other payables	<u>(19,825)</u>	<u>(35,561)</u>
	<u>689,536</u>	<u>683,938</u>

## 5. Investment in Associate (continued)

Zenith's 26.65% share (30 June 2023: 26.65%)	183,757	182,265
Impairment recognised	-	-
Zenith's carrying account of investment in Oxley Resources Pty Ltd	<b>183,757</b>	<b>182,265</b>

### Summarised statement of profit or loss of Oxley Resources Pty Ltd

Administration Costs	5,628	-
Loss for the period	<b>5,628</b>	<b>-</b>

### Movement Reconciliation

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of financial period/year	182,265	127,710
Payments for investment	-	150,000
Share of loss recognised	1,492	(5,669)
Impairment	-	(89,776)
Balance at end of financial period/year	<b>183,757</b>	<b>182,265</b>

## 6. Trade and Other Receivables

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<i>Current</i>		
Trade receivables	1,097,155	1,581,582
GST receivable	62,308	120,430
Provision for impairment	(i) (1,097,155)	(1,581,912)
Other receivables	(ii) 1,662,500	-
	<b>1,724,808</b>	<b>120,100</b>

(i) The Consolidated Entity has recognised a provision for the impairment of the receivable from its joint venture partner EV 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 (Note 15).

(ii) Divestment of Develin Creek Copper-Zinc Project. The consideration included:

An up-front payment to Zenith of \$1.2M cash and \$1M worth of QML shares (based on the 15-day volume weighted average price of QML shares) for a 51% interest (received).

Within 12 months QML must complete 500m of diamond drilling and a detailed metallurgical study on the existing Develin Creek Inferred Mineral Resource.

## 6. Trade and Other Receivables (continued)

At 12 months QML must pay a second tranche of \$1.3M cash and issue another \$1M worth of QML shares (based on the 15-day volume weighted average price of QML shares) to Zenith for an additional 49% interest.

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.

Gain on sale is reconciled as below:

	\$
Initial consideration	2,040,336
Deferred consideration **	1,662,500
Carrying value of assets sold (Note 8)	<u>(3,368,890)</u>
Gain on sale	<u>333,946</u>

\*\* The zinc concentrate grades of the detailed metallurgical study, which will determine the quantum of the deferred consideration as outlined above, were not known at 31 December 2023. As such the minimal amount of deferred consideration receivable has currently been brought to account.

## 7. Financial Assets at Fair Value through Profit and Loss

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<i>Current</i>		
Listed ordinary shares – at fair value through profit and loss	<u>2,551,726</u>	<u>4,318,584</u>

### *Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial years.

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Opening fair value	4,318,584	7,467,583
Additions	840,336	-
Disposals	(335,402)	(583,579)
Realised gain/(loss)loss on financial assets sold	2,956	(145,181)
Unrealised change in fair value	<u>(2,274,748)</u>	<u>(2,420,239)</u>
Closing fair value	<u>2,551,726</u>	<u>4,318,584</u>



## 8. Exploration and Evaluation Expenditure

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Balance at beginning of financial period	12,334,857	11,096,281
Acquisition of Hayes Hill option	-	250,000
Acquisition of Yilmia option	-	200,000
Capitalised expenditure	2,022,929	4,004,717
Less: capitalised expenditure written against proceeds on sale of interest in tenement (Note 6)	(3,368,890)	-
Less: exploration costs written off	(1,472,385)	(3,616,141)
Balance at end of financial period	9,516,511	12,334,857

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 half-year ended 31 December 2023, the consolidated entity wrote off capitalised exploration and evaluation expenditure of \$1,472,385 (30 June 2023: \$3,616,141) 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.

## 9. Other Provisions

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Provision for restoration and rehabilitation	121,800	-
Reconciliation of movement for the period/year		
Opening balance	-	-
Increase in rehabilitation provision	121,800	-
Provision for restoration and rehabilitation	121,800	-

During the half-year ended 31 December 2023, the consolidated entity recognised a provision for the restoration and rehabilitation work at its Split Rocks and Waratah Well Projects.

## 10. Issued Capital

	Shares No.	31 December 2023	Shares No.	30 June 2023
		\$		\$
Fully paid ordinary shares balance at beginning of period	352,380,883	40,028,343	344,762,279	38,780,371
Issue of ordinary shares	-	-	1,066,305	200,000
Exercise of options	-	-	6,552,299	1,047,972
Transfer from reserves on exercise of options	-	-	-	-
Cost of issue	-	-	-	-
<b>Total</b>	352,380,883	40,028,343	352,380,883	40,028,343

## 11. Reserves and Accumulated Losses

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>(a) Reserves</b>		
<i>Option Reserve</i>		
Balance at beginning of financial period	852,375	890,256
Issue of staff options (Note 12)	50,777	736,411
Vesting of options issued in prior period	43,620	-
Exercise of options	-	(774,292)
Balance at end of financial period	946,772	852,375
 <i>Foreign currency Translation Reserve</i>		
Balance at beginning of financial period	(185,483)	(185,483)
Foreign currency translation	-	-
Balance at end of financial period	(185,483)	(185,483)
<b>Total Reserves</b>	761,289	666,892
 <b>(b) Accumulated Losses</b>		
Movements in accumulated losses were as follows:		
Balance at beginning of financial period	(22,279,136)	(12,965,043)
(Loss)/Profit for the period	(3,587,219)	(9,314,093)
Balance at end of financial period	(25,866,355)	(22,279,136)

## 12. Share Based Payments

Set out below is the movement of options granted:

### Half-year to 31 December 2023:

Grant Date	Expiry Date	Exercise Price	Balance at start of the period Number	Granted during the period Number	Exercised during the period Number	Expired or Forfeited during the period Number	Balance at end of the period Number	Exercisable at end of the period Number
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
26 May 2023	23 May 2026	\$0.211	500,000	-	-	-	500,000	500,000
26 May 2023	23 May 2027	\$0.248	500,000	-	-	-	500,000	500,000
16 Oct 2023	13 Oct 2026	\$0.153	-	970,000 *	-	-	970,000	970,000
			8,750,000	970,000	-	-	9,720,000	9,720,000

\* On November 2023, 970,000 options were issued to employees. The options are exercisable at \$0.153 and expire 13 October 2026. The options have no vesting conditions. The options were valued using a Black scholes pricing model under the following assumptions:

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 Oct 2023	13 Oct 2026	\$0.100	\$0.153	96%	-	4.06%	\$0.0523

### Year to 30 June 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

### 13. Fair Value Measurement

#### *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 – 31 December 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Assets</i>				
Financial assets at fair value through profit or loss	2,551,726	-	-	2,551,726
Total Assets	2,551,726	-	-	2,551,726

#### **Consolidated – 30 June 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Assets</i>				
Financial assets at fair value through profit or loss	4,318,584	-	-	4,318,584
Total Assets	4,318,584	-	-	4,318,584

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.

### 14. 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 \$803,976 during the next 12 months (30 June 2023: \$609,235). 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.

## 15. Contingent assets and liabilities

As outlined in note 6, the Consolidated Entity has recognised a provision for the impairment of the receivable from its joint venture partner EV 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 in consultation with the Consolidated Entity's lawyers and EV Metals Group PLC.

As outlined in Note 6, during the period to 31 December 2023, the Consolidated entity divested its Develin Creek Copper-Zinc Project. The deferred consideration is dependent upon the zinc concentrate grades of the detailed metallurgical study. As the study results are currently not known, only the minimum amount of deferred consideration receivable has been brought to account at 31 December 2023. Should the detailed metallurgical study show zinc concentrate grades above 50% or that a 50% zinc concentrate grade is commercially achievable, the deferred consideration will be \$1,300,000 in cash and \$1,000,000 in QML shares (based on the 15-day volume weighted average price of QML share), an approximate increase of \$637,500 to the amount currently brought to account as receivable.

There have been no other changes to contingent assets and liabilities since 30 June 2023.

## 16. Events after the reporting period

As reported above Zenith regained control of its Split Rocks and Waratah Well lithium project post year end, as announced on 11-Jan-24. In addition, the Company also reported on 31-Jan-24 control of the Yilmia lithium project in Western Australia was returned to the project owner, Kalgoorlie Mining Associates, with Zenith retaining no interest.

On 22 February 2024, Zenith announced that it has received a notice from a group of shareholders under section 230D of the Corporations Act 2001 (Cth) seeking the removal of a Board member.

On 27 February 2024, Zenith announced that it has received a notice from a group of shareholders under Section 249D of the Corporation Act 2001 (Cth) seeking removal of a board member.

On 1 March 2024, Zenith announced, further to announcements on 22 and 27 February 2024, a General Meeting of shareholders to be held on Tuesday, 2 April 2024

There are no other matters or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of operations, or the consolidated entity's state of affairs in future financial years.

## Directors' Declaration

In the Directors' opinion:

1. The Financial Statements and notes thereto, comply with the *Corporations Act 2001* including:
  - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (b) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2023 and of its performance for the financial half year ended on that date.
2. There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



**Michael Clifford**  
**Managing Director**

Perth

Dated: 15 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF ZENITH MINERALS LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Zenith Minerals Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2023, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Zenith Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

#### Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity has incurred an operating loss of \$3,587,219 (2022: loss of \$3,771,508) and cash outflows from operating activities of \$2,452,927 (2022: \$3,201,507) for the half-year ended 31 December 2023. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.





PKF Perth  
ABN 64 591 268 274  
Level 5, 35 Havelock Street,  
West Perth WA 6005  
PO Box 609,  
West Perth WA 6872  
Australia

+61 8 9426 8999  
perth@pkfperth.com.au  
pkf.com.au

### Independence

We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' Responsibility for the Interim Financial Report

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

### Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'PKF Perth'.

PKF Perth

A handwritten signature in black ink that reads 'Alexandra Carvalho'.

Alexandra Carvalho

Partner

15 March 2024

West Perth,

Western Australia