



ASX & MEDIA RELEASE

Zenith
Minerals
Limited

ABN 96 119 397 938

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 30th JUNE 2018

HIGHLIGHTS

ASX CODE: ZNC

Exploration / Development

- Kavaklitepe Gold - Turkey
- American Lithium
 - Zacatecas – Mexico
 - San Domingo – USA
 - Burro Creek – USA
 - Wilson Salt Flat – USA
 - Spencer - USA
- Split Rocks Lithium, Gold & Cobalt – Aus
- Tate River Gold - Aus
- Develin Creek Copper-Zinc-Gold

Details as at 31st Jul 2018

Issued Shares (ZNC)	212.8 m
Unlisted options	2.5 m
Mkt. Cap. (\$0.17)	A\$35m
Cash as at 30 th Jun 2018	A\$2.5m
Debt	Nil

Directors

Michael Clifford	Managing Director
Mike Joyce	Non Exec Chairman
Stan Macdonald	Non Exec Director
Julian Goldsworthy	Non Exec Director
Graham Riley	Non Exec Director

Major Shareholders

HSBC Custody, Nom.	12.8%
Nada Granich	5.4%
Miquilini	4.3%
JP Morgan	4.1%
Abingdon	4.1%

Contact Us

Zenith Minerals Australia Limited
Level 2, 33 Ord Street
WEST PERTH WA 6005

PO Box 1426
WEST PERTH WA 6872

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

Australian Projects

Split Rocks Lithium-Gold-Cobalt Project - WA

RC, RAB and aircore drill programs carried out during the quarter at Split Rocks to test lithium, gold and cobalt-nickel targets.

RC drilling of the Dulcie lithium pegmatite target to test anomalous lithium bearing pegmatites over 950m of strike (results up to 2m @ 0.12%Li₂O intersected in Zenith's maiden drill program), confirmed the presence of thick pegmatite bodies (up to 77m downhole widths). Dulcie prospect only 40 km north of Kidman Resources' (ASX:KDR) Earl Grey lithium pegmatite deposit. Assay results for the 6 RC drill holes are still awaited.

Recent drilling at Dulcie South also confirmed the presence of gold within the surficial laterite horizon at Dulcie, returning 4m @ 1.16 g/t gold from surface. Potential exists for one or more modest scale, laterite gold, surface deposits of a similar style to that currently being mined and treated at the adjoining Dulcie Heap Leach gold operation.

Further significant cobalt drill results from initial composite samples from Dulcie South Prospect including: 8m @ 0.05% cobalt.

Two new high-tenor lithium soil anomalies defined taking the total number of lithium soil targets to be drill tested to seven.

American Lithium JV

Burro Creek Lithium Clay Project – Arizona USA

Assay results from the maiden drill program at Burro Creek were received during the quarter. Results show that the higher-grade portion of the lithium bearing clay zone is a near surface, flat lying horizon extending over 900m by 400m within the eastern project state leases. Mineral resource estimate and additional metallurgical testwork in progress.

Mapping and surface sampling in the new Burro Creek western claims identified further widespread, high-grade, flat-lying lithium clays at surface with two new areas identified each equal or greater in size to the zone of lithium mineralisation discovered in the current drill program. These two new areas will be the focus of future resource drilling.

Zacatecas Lithium Brine Project – Mexico

Geophysical surveys (MT) have been highly successful in outlining conductive zones beneath the strongly anomalous surface lithium anomalies at the Zacatecas project in Mexico, these conductive zones are considered compelling lithium brine drill targets. Permitting to drill test in progress.

Kavaklitepe Gold Project

All forestry permits received to allow drill testing to proceed. Zenith is currently discussing the forward program with Teck for the next round of drill testing.

Other Australian Projects

Over 3,000 surface samples were collected at the Develin Creek and Tate River projects in Queensland during the quarter, assay results awaited.

ZENITH'S EXPLORATION PROJECTS

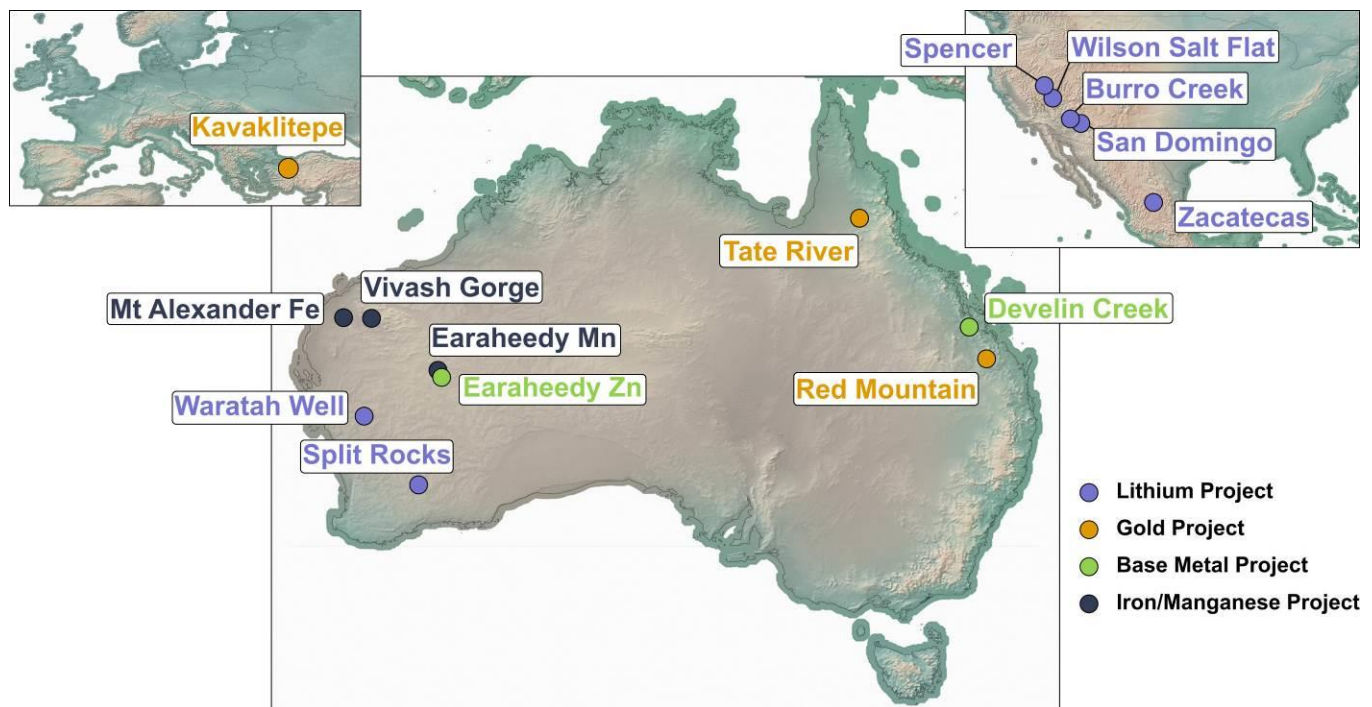


Figure 1: Zenith Project Locations

SPLIT ROCKS LITHIUM, COBALT-NICKEL & GOLD PROJECT – WA (Zenith 100%)

- 100% owned exploration licences covering ~500sqkm of the Forresteria Greenstone Belt, 15km northwest of Earl Grey lithium pegmatite discovery and Bounty Gold mine;
- Anomalous lithium bearing pegmatites (results up to 2m @ 0.12%Li₂O) intersected in maiden drill program over 950m of strike. RC drill testing of the Dulcie lithium pegmatite target has been completed, confirming the presence of thick pegmatite bodies (up to 77m downhole widths) – assay results for 6 RC drill holes are still awaited;
- Significant cobalt - nickel - scandium drill results at the Dulcie Prospect include: 12m @ 0.27% cobalt and 1.45% nickel and 30m @ 0.06% cobalt and 0.75% nickel whilst scandium intercepts included: 4m @ 190ppm Sc and 8m @ 105ppm Sc;
- Significant gold mineralisation intersected at the Dulcie Prospect including: 5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold, 2m @ 6.54g/t gold (end of hole) as detailed in ZNC ASX Release 5th June 2018 – follow-up drilling yet to be completed;
- Six large scale lithium surface geochemical anomalies defined to date – drill testing planned.

Activities During the Quarter

Split Rocks Lithium

An earlier drill program conducted in March 2018 testing the Dulcie prospect (one small area of Zenith's 500sqkm Split Rocks project) returned significant lithium, nickel-cobalt-scandium and gold drill results (ASX Release 12th Apr 2018) – Figure 2. Encouraged by those initial drill results Zenith embarked on a large multifaceted follow-up drill campaign as detailed in ASX Release 5th June 2018. As part of that follow-up program an RC drill rig was used to drill 6 holes to test the Dulcie lithium pegmatite target where highly weathered yet strongly anomalous lithium bearing pegmatites, containing up to 0.12% Li₂O at end of hole over a strike length of 950m (ASX Release 27th Apr

2018) were identified (Figure 3). Based on logged geology, the program has reinforced Zenith’s interpretation of at least two thick (up to 77m downhole widths) flat lying pegmatite sills (Figure 4). Unfortunately significant delays at the assay laboratory have meant that the lithium assay results for this portion of the program are still awaited.

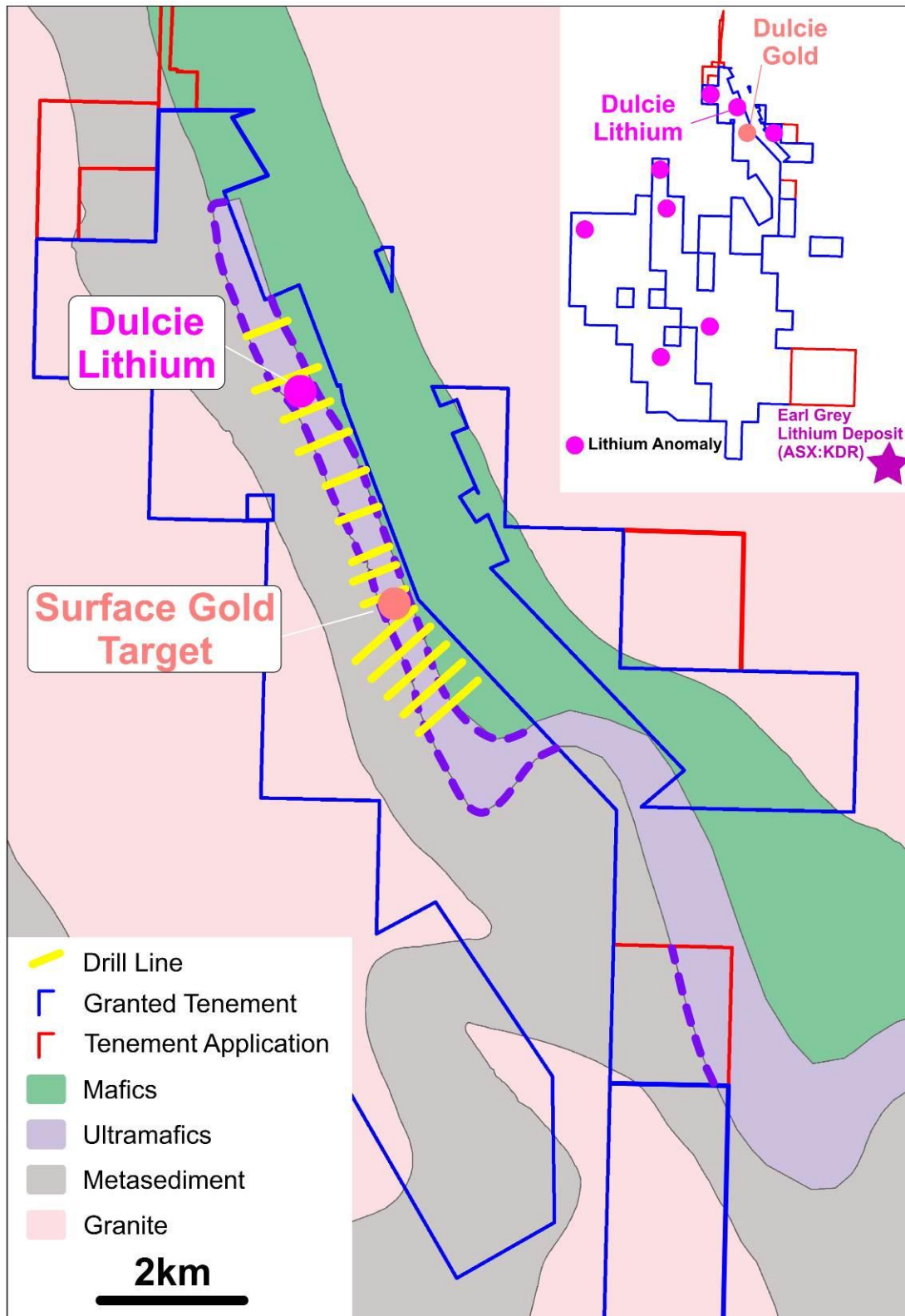


Figure 2: Split Rocks Project Dulcie Prospect Location Plan

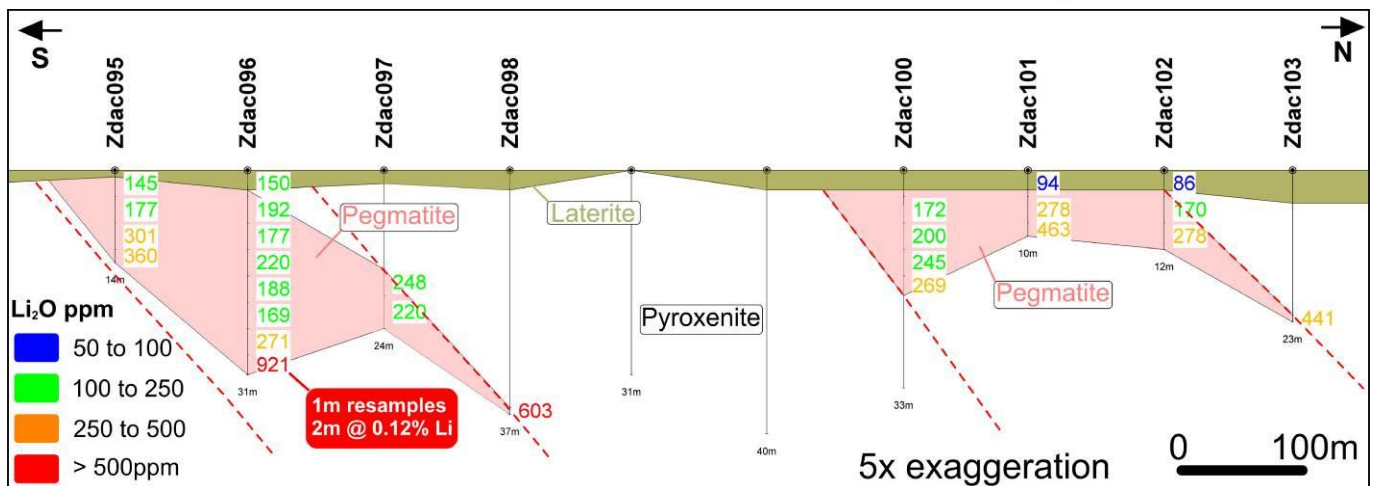


Figure 3: Split Rocks Dulcie Lithium Long Section Looking west (5 x vertical exaggeration) new RC holes Not Shown this Section – refer to Figure 4

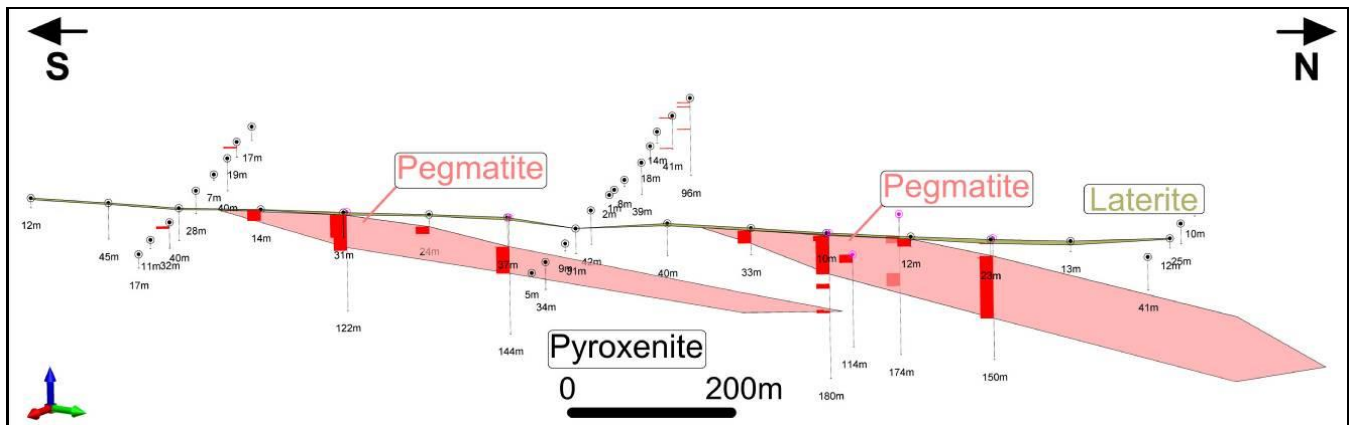


Figure 4: Split Rocks Dulcie Lithium 3D View Looking West (no vertical exaggeration) new RC holes shown.

Split Rocks Lithium Targets

The 100% owned Split Rocks Project covers a large portion (total area >500sqkm) of the Forrestania Greenstone Belt of Western Australia. This emerging lithium district is host to the new Earl Grey lithium deposit containing 189Mt @ 1.5% Li₂O (KDR ASX Release 19th Mar 2018).

As detailed in Zenith's ASX releases on (17th April 2018, 14th September 2017, 4th December 2017 and 6th July 2018) first pass surface samples taken at Split Rocks, to date covering approximately 20% of the Company's tenements, has now defined seven large, coherent zones of anomalous lithium with variable levels of associated caesium, tantalum and rubidium surrounding granite bodies in the western exploration licences that may be potential source rocks for lithium bearing pegmatites (Figures 5 & 6). The two new soil anomalies (Lithium Anomaly 1 & Anomaly 2) outlined during the quarter (and detailed in ZNC ASX Release 6th July 2018) returned results up to 134ppm lithium. Field mapping and infill sampling is planned prior to drill testing.

The tenor of these large scale lithium anomalies is comparable with competitor surface results that upon drilling have returned significant bedrock lithium mineralisation in several instances. Field follow-up indicated very little to no outcrop in the areas of the lithium soil anomalies and that drill testing will be required.

RAB drilling of lithium soil anomalies in the western portion of the Split Rocks project testing Lithium Anomaly 4 during the quarter was abandoned after only one line of drilling (6 holes) due to heavy rainfall. However encouragingly of the 6 holes one hole intersected pegmatite although assay results in this instance show it contained only weakly anomalous lithium. Further drill permits have now been applied for to cover the eastern

lithium soil anomalies as detailed in ASX Release 6th July 2018) with a plan to drill test these in conjunction with the western lithium targets.

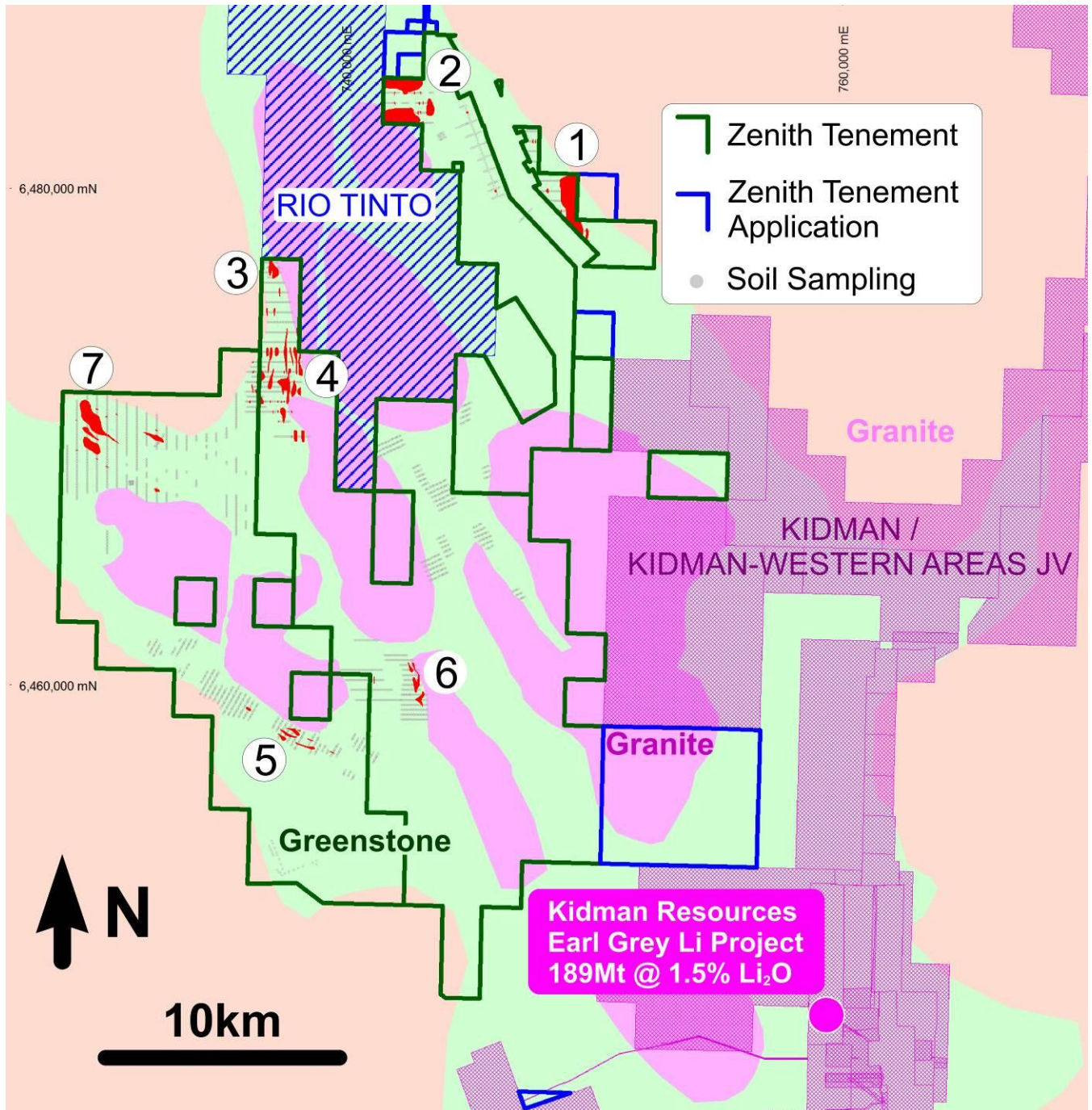
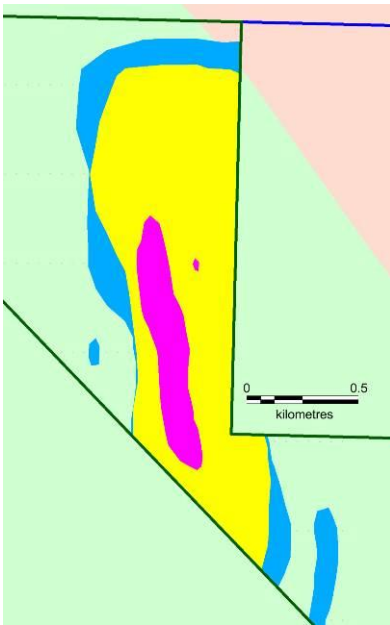
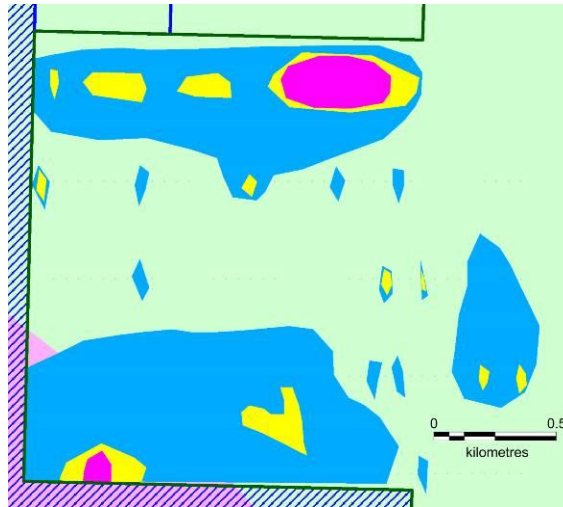


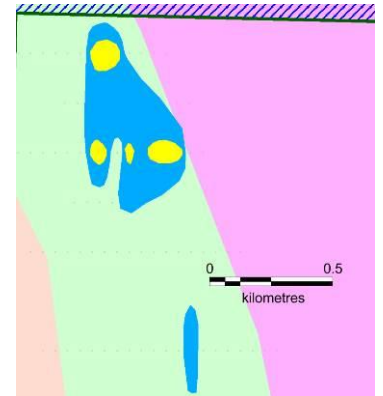
Figure 5: Split Rocks Project – Lithium Anomalies Overlying Generalised Geology Showing Soil Anomalies 1 to 7 (refer to Figure 6 for anomaly details)



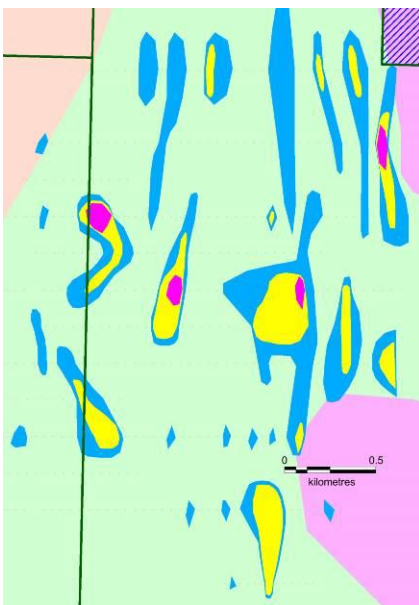
Lithium Anomaly 1



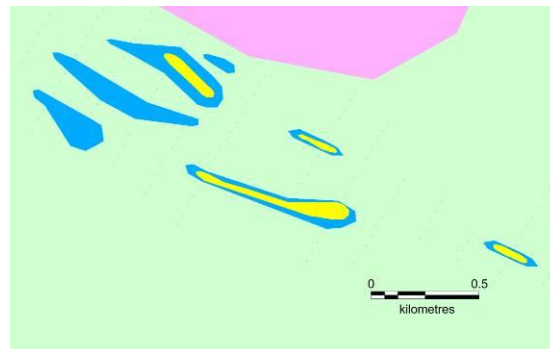
Lithium Anomaly 2



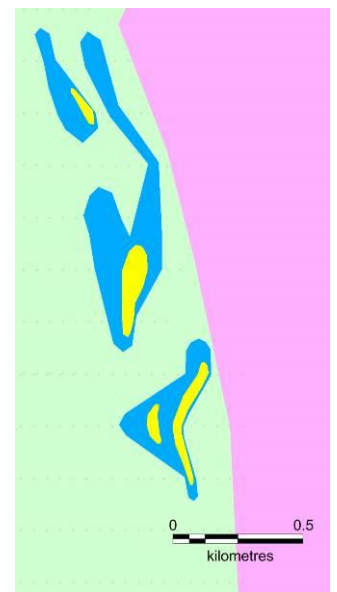
Lithium Anomaly 3



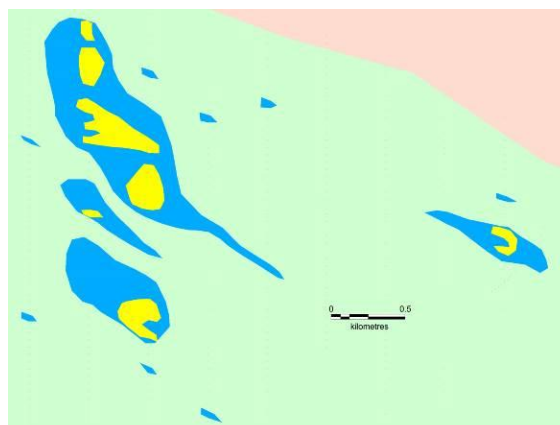
Lithium Anomaly 4



Lithium Anomaly 5



Lithium Anomaly 6



Lithium Anomaly 7



Soil Anomaly Legend

**Figure 6: Split Rocks Lithium
Anomalies
(refer to Figure 5 for anomaly
locations)**

Split Rocks Gold Results

Significant gold mineralisation was intersected in several drill holes in the south of the Dulcie prospect area (ZNC ASX Release 12th Apr 2018). Zenith's maiden aircore drill program confirmed the presence of gold mineralisation first identified in historic exploration in 1998 returning intersections of **5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold** as well as outlining new gold mineralisation on Zenith's southernmost drill lines up to **2m @ 6.54g/t gold (end of hole)** – as detailed in ZNC ASX Release 5th June 2018.

Aircore drilling during the quarter tested a further 2km of strike returning anomalous gold results including: 4m @ 0.2g/t Au from 40m and 4m @ 0.36 g/t Au from 52m.

An infill drill hole confirmed the presence of gold within the surficial laterite horizon returning **4m @ 1.16 g/t gold from surface**, a hole drilled 430m south along strike intersected 4m @ 0.26 g/t Au from surface whilst a third drill hole 900m along strike returned 4m @ 0.6g/t Au from 8m depth. Potential exists for one or more modest scale, laterite gold, surface deposits of a similar style to that currently being mined and treated at the adjoining Dulcie Heap Leach gold operation (Figure 7). Details are shown in Tables 1 & 2 and JORC Table appended to this release.

The planned program to use an RC drill rig to drill test beneath and down dip of the better gold intersections reported above (**such as 2m @ 6.54g/t gold (end of hole)**) was cancelled due to excessive rainfall. Follow-up testing beneath the higher grade gold results is now planned to be completed in conjunction with the lithium drilling, as detailed earlier in this report.

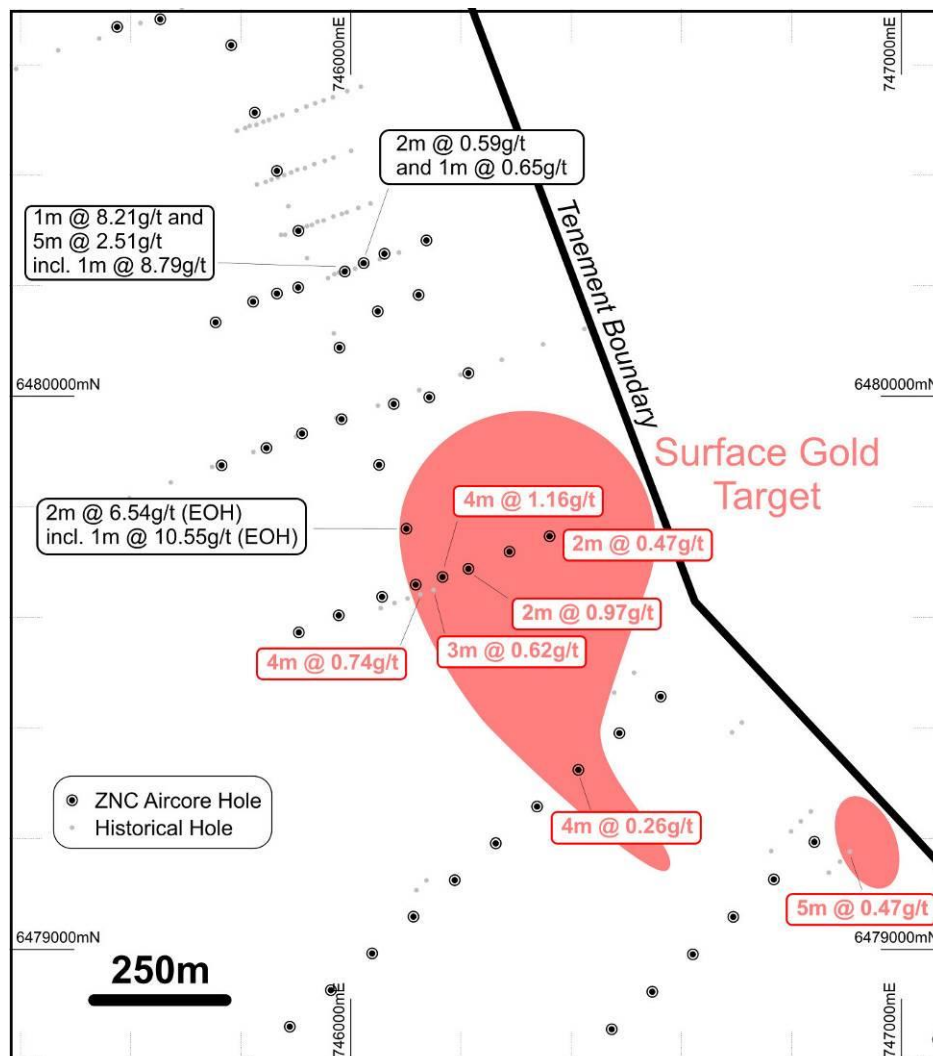


Figure 7: Split Rocks Dulcie Plan Showing Gold Significant Gold Results and Surface Gold Target Zone

Split Rocks Cobalt – Nickel

During the quarter drilling tested the southern strike extensions of high-grade, near surface cobalt-nickel mineralisation at the Dulcie Prospect. Assay results returned high cobalt-nickel results on the southern-most drill line of the program completed this quarter including: 8m @ 0.05% cobalt and 4m @ 0.05% cobalt. Details are shown in Tables 1 & 2 and JORC Table appended to this release.

Although high-grade cobalt – nickel mineralisation has been confirmed over 1km of strike extent in a near surface, flat lying, saprolite clay blanket-type body at Dulcie the quantity of mineralisation outlined to date is unlikely to be sufficient to support a stand-alone project. Further assessment of other cobalt – nickel targets is progress.

Planned Programs at Split Rocks

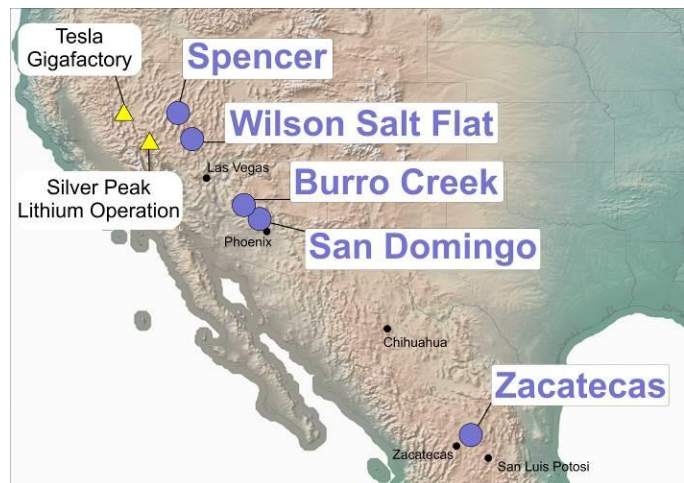
Further drill permits have now been applied for to cover the two new eastern lithium soil anomalies as detailed in ASX Release 6th July 2018) with a plan to drill test these in conjunction with the five western lithium targets.

AMERICAN LITHIUM JOINT VENTURE

The American Lithium Joint Venture includes a US\$5 million farm-in deal with a private company controlled by prominent UK investor Jim Mellon (Bradda Head Ltd) (ASX Release 7th March 2017) to jointly unlock the potential of Zenith's USA and Mexican lithium project portfolio.

Bradda Head Ltd is planning to list its American Lithium JV interests on London's Alternative Investment Market (AIM) later in 2018.

The partners have also agreed to collaborate on any additional lithium projects that either party acquires within the same jurisdictions. The partners are currently assessing two new lithium opportunities.



BURRO CREEK LITHIUM CLAY PROJECT – ARIZONA, USA (Option to Earn 100%)

- Widespread, near surface lithium results were intersected in the maiden drill program at the Burro Creek project (ZNC – ASX Release 19/06/18), Nevada USA, including:
 - Hole BCRC18-01 - 22.9 metres @ 1088ppm lithium and 2.94% potassium from 4.68m depth, and 9.1 metres @ 1325ppm lithium and 3.04% potassium from 33.5 metres depth;
 - Hole BCRC18-04 – 19.8 metres @ 1180ppm lithium and 2.23% potassium from 21.3 metres depth;
 - Hole BCRC18-14 - 24.4 metres @ 1361ppm lithium and 3.23% potassium from 19.8m depth.
- Depending on the cut-off grade used the lithium mineralised portion of the clay averages 23 to 54 metres in thickness, whilst recent testwork indicates a bulk density of 1.6 to 1.8 g/cm³.
- Drilling to date has tested only 1/4 of the total project area that has recently been expanded by staking claims to the west;
- Mapping and sampling in the western claim area returned further widespread, high-grade lithium clays at surface with two new areas identified each equal in size to the zone of lithium mineralisation discovered in the current drill program;

- Data compilation, interpretation and geological modelling in progress leading to a maiden mineral resource estimate – scheduled for late August; and
- Further metallurgical testwork has commenced on drill samples.

Activities During the Quarter

Assay results from the maiden drill program at Burro Creek were received during the quarter, refer to ZNC ASX Release 19th June 2018. The results show that the higher-grade portion of the lithium bearing clay zone is a near surface, flat lying horizon extending over 900m by 400m within the eastern project state leases (Figure 8).

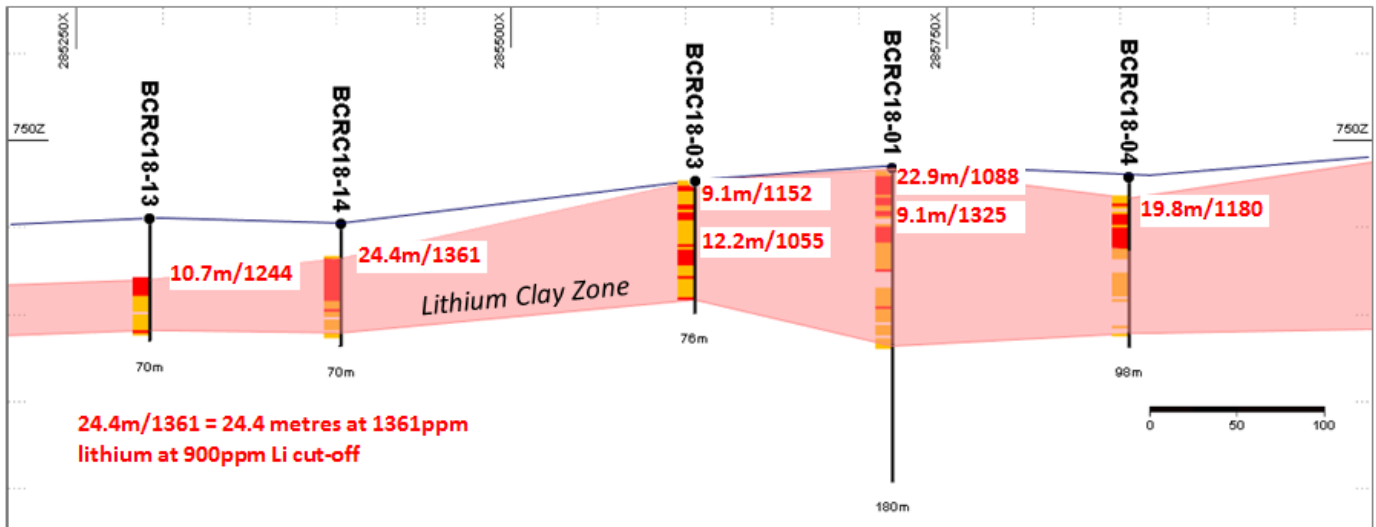


Figure 8: Burro Creek Drill Cross Section Showing Lithium Results

Mapping and surface sampling in the new Burro Creek western claims identified further widespread, high-grade, flat-lying lithium clays at surface with two new areas identified each equal or greater in size to the zone of lithium mineralisation discovered in the current drill program. These two new areas will be the focus of future resource drilling (Figure 9).

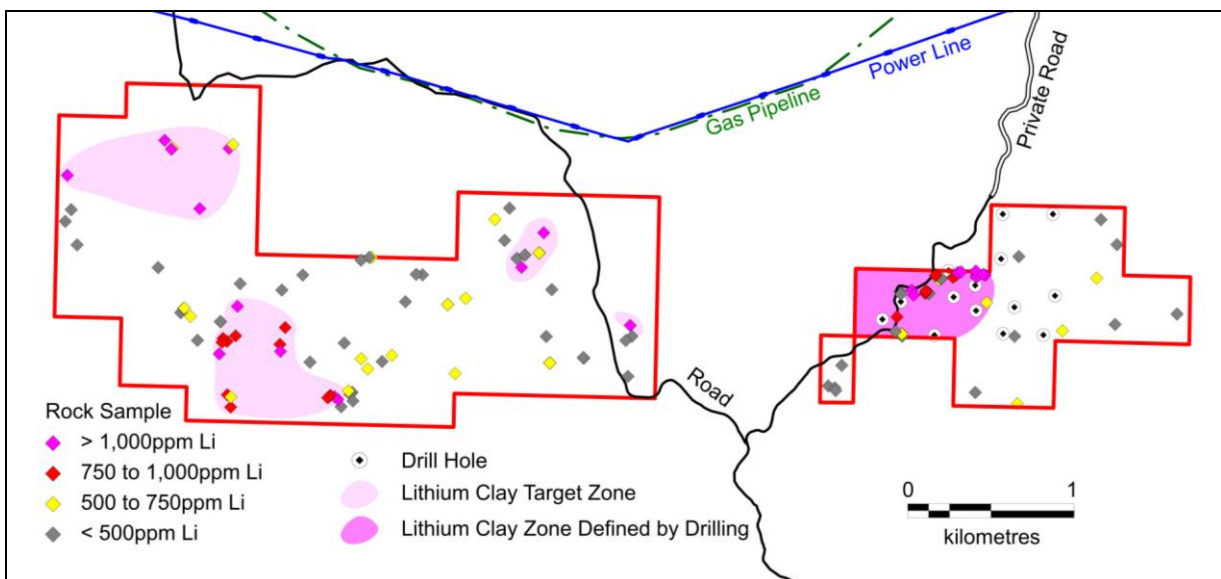


Figure 9: Burro Creek Project Area Showing Lithium Clay Area Defined by Drilling and Western Claim Area Targets

Exploration Target

Based on the drilling activity noted above, and surface sampling and mapping in the western claim area Zenith and Bradda Head have estimated an Exploration Target¹ for the Burro Creek project of 30-50 million tonnes at 1000 to 1100ppm lithium Li and 2% to 3% potassium. The upcoming maiden resource estimate will report on the eastern claim area only, representing approximately 1/3 of the Exploration Target¹. It is expected that the western claim area targets will be the subject of a future drill campaign.

Exploration Target ¹	Tonnes	Lithium Grade	Potassium Grade
Burro Creek Project	30 – 50 million	1000 to 1100ppm	2 to 3%

¹The potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the “Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code” (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Planned Activities

Data compilation, interpretation and geological modelling are in progress leading to a maiden mineral resource estimate scheduled for late August. Further metallurgical testwork commenced on drill samples – results are awaited.

ZACATECAS LITHIUM BRINE PROJECT – MEXICO

- **Tenure (26,000 acres) over system of salt lakes within emerging lithium brine district in central Mexico;**
- **Lithium brines to 2.1% lithium reported in regional sampling program conducted by the Mexican Federal Government from solar evaporation ponds for salt production on adjacent salt lake (10km west of Zenith’s new tenure).**
- **Government results confirm lithium enriched source brines are present in the district, as well as demonstrating that concentration of lithium by traditional solar evaporation methods is possible: Four water samples returned 1.2%, 1.4%, 1.4% and 2.1% lithium, these very high-grade lithium brines are similar to post-concentration brine feedstock to lithium brine production facilities;**
- **Systematic surface geochemical sampling by Zenith on salt pans returned highly anomalous lithium in surface sediments up to 1046ppm Li - comparable to and higher than those from competitor lithium brine projects in Mexico and the USA;**
- **Initial 11 hole shallow auger drilling program with strong lithium in salt lake sediments up to 0.09% Li;**
- **Near surface water samples are not strongly saline, perhaps due to rainwater dilution. However lithium and total salinity in brine samples increase with depth in all holes pointing to deeper target;**
- **Ground based magnetotelluric (MT) geophysical surveys indicate conductive layer beneath the Illescas salt lake; 200 – 400m thick, 2.5km in length sited below strongly anomalous surface sample results, representing a compelling lithium brine drill target;**
- **Conductive layer defined at the San Vicente-San Juan salt lake concession, target zone is 100m to 200m in thickness, at a depth of 50 to 300m depth below surface; and**
- **Permitting for drill testing both Illescas and San Vicente targets has commenced.**

Activities During the Quarter

As noted in the ASX Release 24th May 2017 systematic surface geochemical sampling by the Company on salt pans covering the Company's tenure returned highly anomalous lithium in surface sediments up to 1046ppm that were taken from the top 1 metre over an area 4km x 2km - comparable to and higher than those from competitor lithium brine projects in Mexico and the USA.

Following that initial encouragement in confirming lithium geochemical anomalies at surface, a program of 11 shallow auger holes (from 15m to 27m maximum depth) was then completed (as detailed in ASX Release 26th June 2017) to assess the very near surface waters and sediments of the San Juan salt lake. The auger holes revealed subsurface clay and sand horizons with salt and gypsum, and returned persistent strong lithium values up to 874ppm Li in the host sediments. As expected, basement was not reached in any of the holes.

Encouragingly, all the auger holes at San Juan salt lake intersected brine at depths ranging from 5 metres to 15 metres, with both the lithium concentration (maximum 7mg/l Li) and salinity increasing with depth in all holes. Nearest to surface the water samples were not strongly saline and may have been diluted by rainwater. The lithium brine concentration and total salinity increased with depth in all holes pointing towards a deeper drill target beyond the capability of the small auger drill. Hence an MT geophysical survey was conducted to assess the potential for deeper conductive bodies that could be interpreted as sub-surface brine zones. The MT results, (as detailed in ZNC ASX release 12th July 2018) have been highly successful in outlining conductive zones and these are considered compelling lithium brine drill targets (Figures 10 & 11).

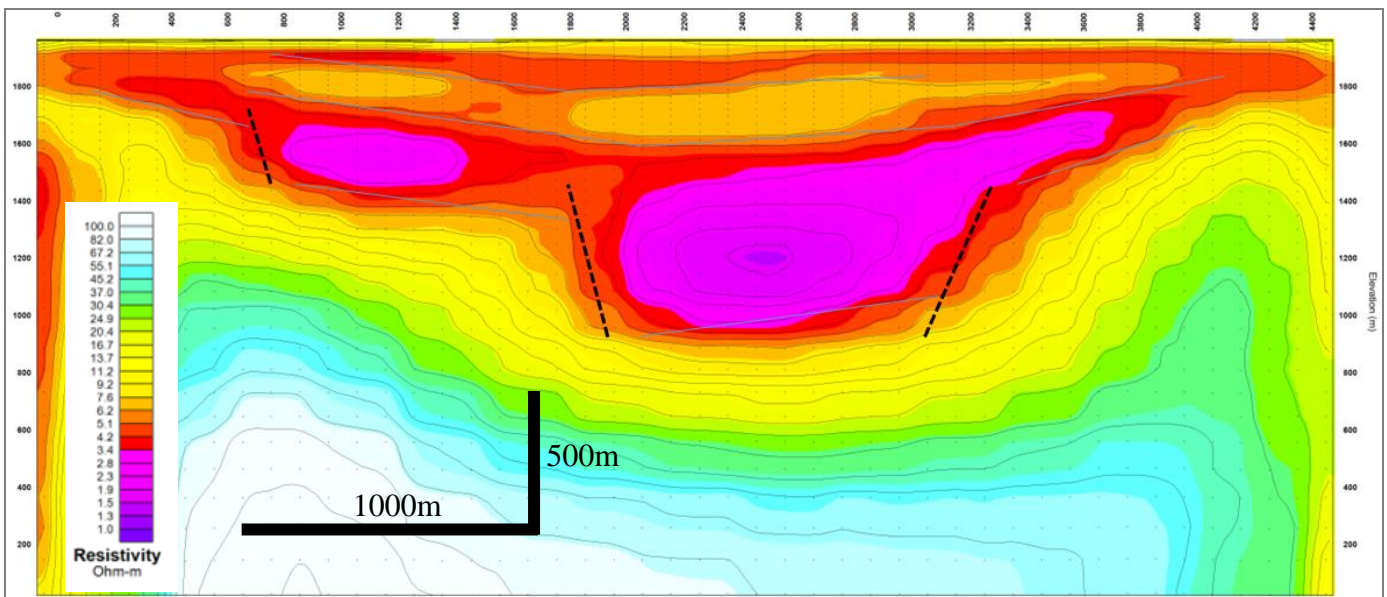


Figure 10: Illescas Salt Lake Cross Section with Magnetotellurics 2D Inversion Showing Strong Conductive Anomaly (purple zone) the Lithium Brine Target Zone

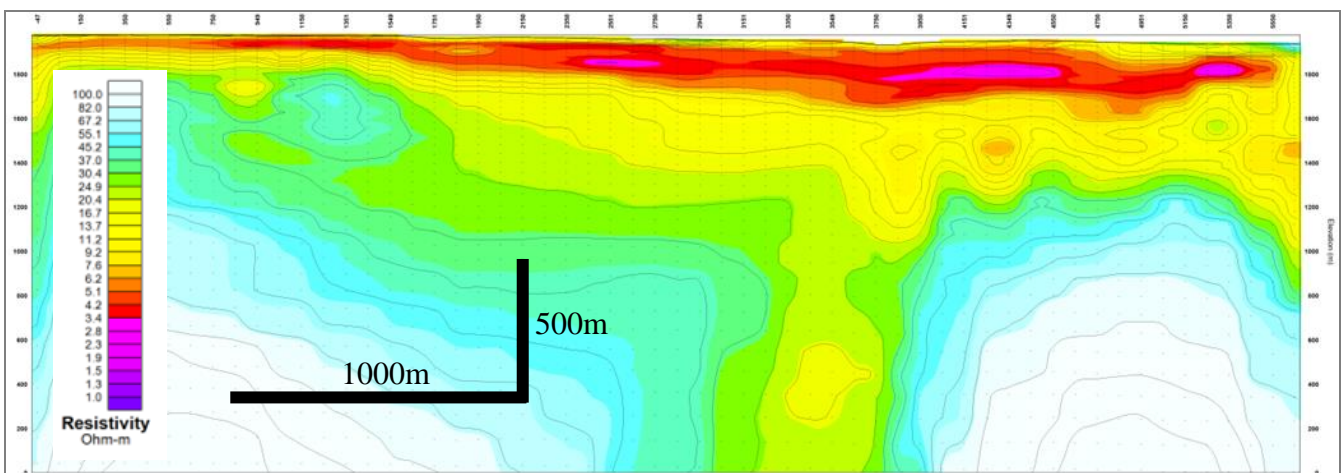


Figure 11: San Vicente-San Juan Salt Lake Cross Section with Magnetotellurics Profile

Showing Strong Conductive Anomaly (purple-red zone) the Lithium Brine Target Zone (NB: Conductor considered open to northeast onto adjoining San Juan Concession – apparent termination due to end of line effect)

Planned Programs at Zacatecas
Drill permitting commenced.

WILSON SALT FLAT LITHIUM BRINE PROJECT – NEVADA USA

- Sampling by Zenith returned up to 192ppm lithium from salt lake surface;
- The high-grade lithium surface sample results are coincident with gravity low anomalies reflecting basin sedimentary sequences that potentially host lithium brines.
- Both aeromagnetic and gravity modelling indicate complex basement geology indicative of major faults capable of channelling and focusing lithium enriched geothermal fluids; and
- Ground based magnetotelluric (MT) geophysical surveys indicates conductive layer in upper 200 – 300m below surface, representing a lithium brine drill target.

Activities During the Quarter

Research of oil & gas well data is in progress in an attempt to obtain additional geological control for the Wilson salt Flat basin.

Planned Activities

An initial 2 hole drilling program has been permitted to test specific structural and stratigraphic targets identified by the geophysical surveys. Given success with these preliminary exploratory drill holes in finding brine aquifers and anomalous lithium contents, additional holes would be placed to expand on the information relating to basin hydrogeology, leading to resource estimation. Drilling planned to commence following Bradda Head IPO.

SAN DOMINGO LITHIUM PEGMATITE PROJECT – ARIZONA USA

- Abundant lithium bearing pegmatite dykes within Zenith's claims over an area 9km by 1.5km;
- Initial continuous rock chip sampling by Zenith's consultants has returned very encouraging results up to 5m @ 1.97% Li₂O including 2.4m @ 2.49% Li₂O within 14.1m zone @ 1.02%Li₂O from spodumene rich pegmatites;
- Sampling in the SW of the project returned high-grade lithium from pegmatite dykes with results including select grab samples that returned very high-grade results of 5.8% and 8.0% Li₂O. Systematic composite rock chip sampling of more strongly weathered spodumene rich pegmatite returned: 2.9m @ 0.86% Li₂O, 2.8m @ 0.69% Li₂O, 3m at 0.71%Li₂O, and 3m @ 0.56% Li₂O, the latter two samples being part of a near true width zone of 12.7m @ 0.45% Li₂O; and
- Lithium as spodumene and amblygonite concentrates along with tantalum was produced from pegmatites within the district during the period 1947 – 1952.

Activities During the Quarter

Nil this quarter.

Planned Programs

Initial drill testing of the western San Domingo claim lithium pegmatite targets followed by drilling of the central and eastern pegmatite targets is planned.

SPENCER LITHIUM BRINE PROJECT – NEVADA USA

- Initial reconnaissance sampling by Zenith returned up to 550ppm lithium in surface sediments - comparable to and higher than those from competitor lithium brine projects in the USA;

- The high-grade lithium surface sample results are coincident with gravity low anomalies reflecting basin sedimentary sequences that potentially host lithium brines.
- Local geothermal springs indicate active circulating hot waters capable of leaching lithium whilst both aeromagnetic and gravity modelling indicate complex basement geology indicative of major faults capable of channelling and focusing lithium enriched geothermal fluids; and
- Infill surface sampling and ground based geophysical surveys are planned prior to drill testing.

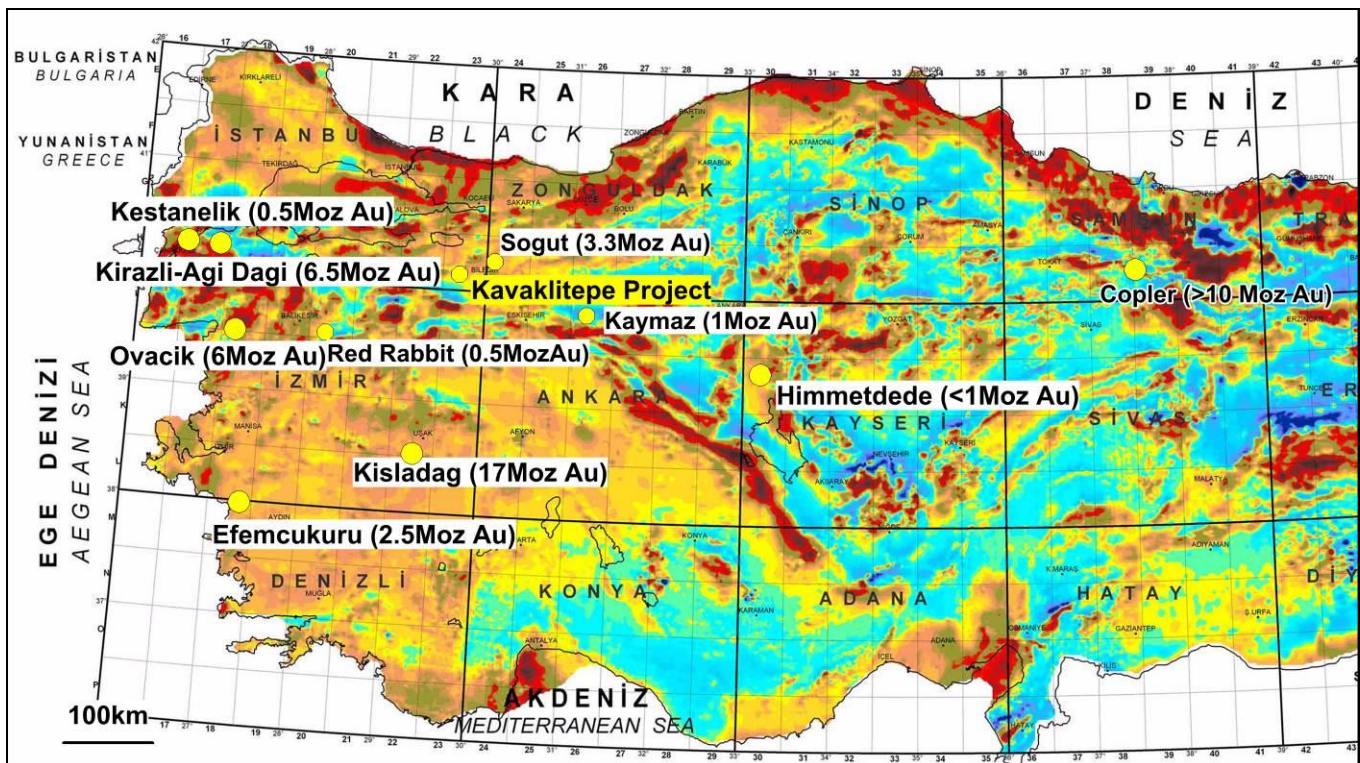
Activities During the Quarter

Nil this quarter

Planned Activities

Infill surface sampling and electrical geophysical surveys followed by drilling are the next steps in exploration of the Spencer project.

KAVAKLITEPE GOLD JOINT VENTURE



Kavaklitepe Project Location and Regional Gold Endowment (Image is Total Magnetic Intensity)

KAVAKLITEPE GOLD PROJECT – TURKEY (Zenith 30%)

- Two coherent plus 800 metre long, high order gold in soil anomalies (+50 ppb), with peak soil sample values over 1 g/t gold;
- Continuous rock chip of 54.0m grading 3.33 g/t gold, including 21.5m grading 7.2 g/t gold within the northwest soil anomaly (Kuzey Zone);
- Continuous rock chip of 21m grading 2.67 g/t gold at the Discovery Zone, and 12m @ 2.5 g/t gold at the Guney Zone;

- Strong chargeable IP geophysical anomaly identified directly beneath high-grade surface rock chip samples (7.68, 22.7 g/t gold) and gold in soil (up to 6.05 g/t gold) at the Kuzey Zone;
- 2016 drill results include: 16m @ 4.7 g/t, 9m @ 5.2g/t and 7.8m @ 7.3g/t gold.

Activities During the Quarter

All forestry permits received to allow drill testing to proceed. Zenith is currently discussing the forward program with Teck for next round of drill testing.

Background

During 2016 the maiden short-hole diamond drilling program (25 holes/2558.5m) using a mobile rig was completed at the Kavaklitepe gold project in western Turkey. Zenith considers the 2016 program to have been successful with sulphide-related gold mineralisation being discovered at both the Discovery Zone and Kuzey Zone, and with near surface high-grade oxide and transition gold mineralisation also intersected at Kuzey.

Kuzey Zone

Drilling completed in 2016 (11 holes (KT-01 to KT-11, including KT-06A) provided an initial wide spaced test of only 360m of the 900m by 250m wide Kuzey Zone gold-in-soil anomaly target (Figure 12).

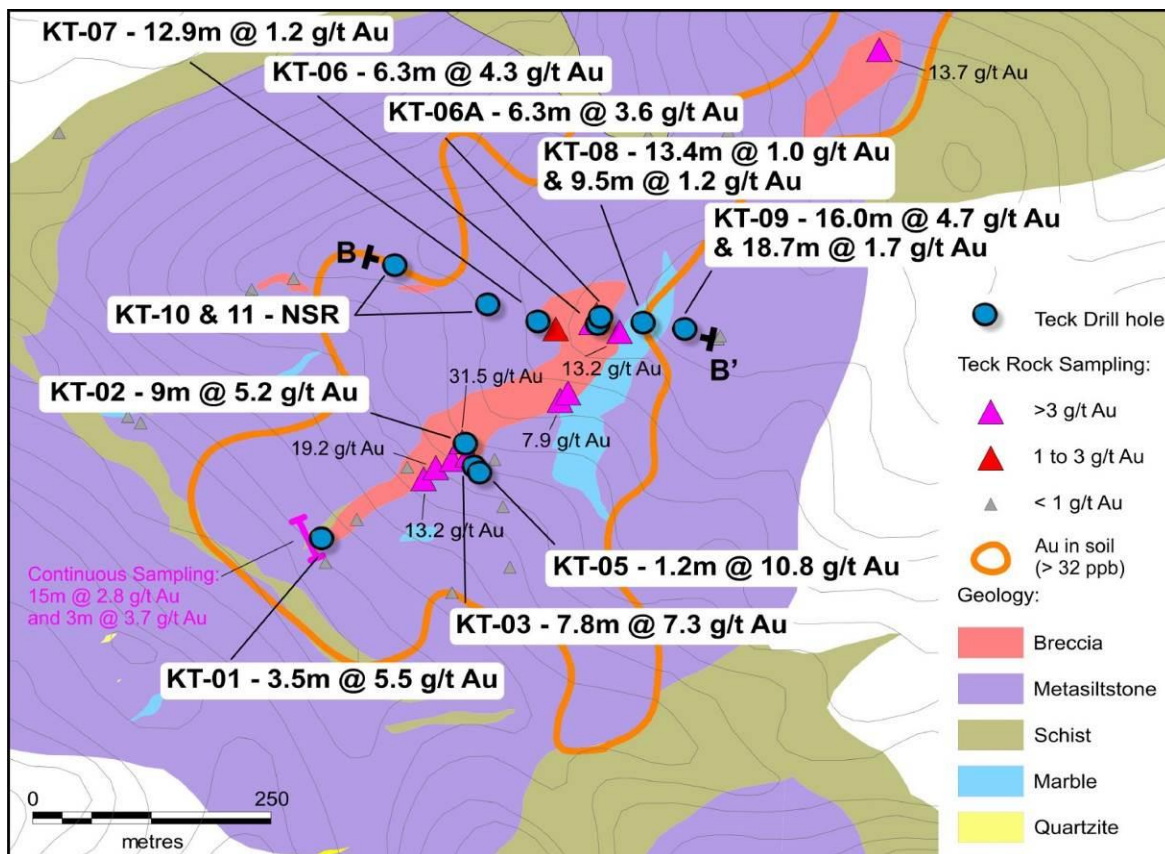


Figure 12: Kavaklitepe Kuzey Zone Drill Hole Locations, Gold Intersections & Location of Cross Section (B-B')

Near surface oxide and transition gold mineralisation is interpreted to occur as a flat lying zone extending over the full 360m length that has been drill tested to date. Better intersections that are considered close to true width of high-grade, near surface, gold mineralisation (previously reported) include: KT-01; **3.5m @ 5.5 g/t Au** from surface, KT-02; **9.0m @ 5.2 g/t Au** from surface, KT-03; **7.8m @ 7.3 g/t Au** from 3.3m depth, KT-05; **1.2m @ 10.8 g/t Au** from 14.7m (as part of a 16.9m mineralised zone with lower core recovery), KT-06; **6.3m @ 4.3 g/t Au** from surface, KT-06A; **6.3m @ 3.6 g/t Au** from surface and KT-07; **12.9m @ 1.2 g/t Au** from surface.

Deeper drill results previously reported (5th October 2016) from the Kuzey Zone include: hole KT-09; an overall 67.7m gold mineralised zone from 46.2 to end of hole at 113.9m (true width unknown) including several zones of higher grade: **18.7m @ 1.7 g/t Au** from 50.2m, **16.0m @ 4.7 g/t Au** from 82.1m, (including **8.0 m @ 7.1 g/t Au**) and **8.8m @ 1.0 g/t Au** with the drill hole ending in mineralisation at 113.9m and hole KT-08; an overall

76.0m gold mineralised zone from 12.5m to 88.5m including: **13.4m @ 1.0 g/t Au** from 16.1m, **1.5m @ 1.3 g/t Au** from 33.0m, **2.0m @ 3.0 g/t Au** from 48.8m, and **9.5m @ 1.2 g/t Au** from 56.8m..

The, high-grade, wide, gold intersections in hole KT-09 are particularly significant, as they represent the best sulphide gold mineralisation intersected to date at Kavaklitepe. Sulphide gold intersections are down-hole widths as the orientation of that style of mineralisation is currently unknown. Gold mineralisation at the Kuzey Zone remains open to the north and east and is open along strike to the south (Figure 13) where drill holes KT-02, KT03 and KT05 only test a portion of the target zone (80m of width).

Reporting cut-off criteria and associated JORC tables are included in ASX release dated 22nd December 2016.

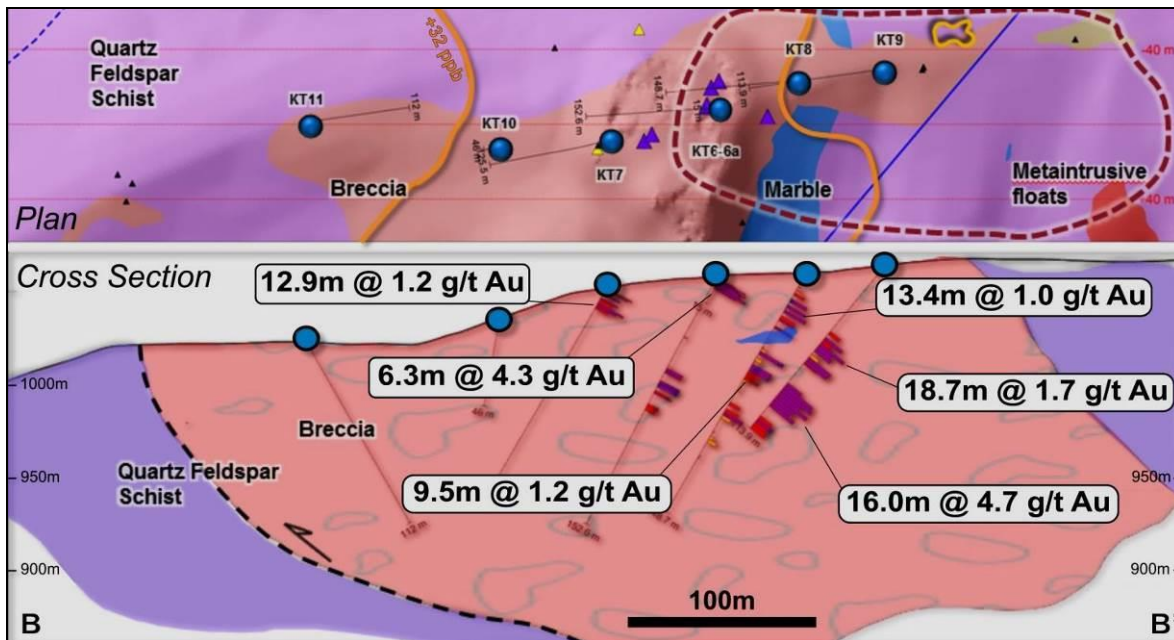


Figure 13: Kavaklitepe Kuzey Zone Cross Section (B-B')

Discovery and Guney Zones

2016 drilling at the Discovery Zone (2 holes (KT-18A and KT-23) intersected gold mineralisation over a 23.5m interval from 22.5m to 46.0m depth with results including: **9.4m @ 1.5 g/t Au** and **3.5m @ 2.1 g/t Au** (true width intervals). The near surface gold mineralisation dips to the northwest and is 60m down dip of previously reported continuous roadside surface sample results that include: 21.0m @ 2.7 g/t Au and 27.0m @ 1.4 g/t Au (Figure 14). The roadside sampling was conducted as an initial test of the 400m long gold-in-soil anomaly at the Discovery Zone.

The new Discovery Zone gold mineralisation remains open to the northeast and southwest and is open down dip. A second drill hole 275m southwest along strike where surface rock chip samples returned up to 2.4g/t Au, intersecting 1.3m @ 1.3 g/t Au within a 17.9m wide altered zone from 17.5m to 35.4m with associated anomalous silver, arsenic and antimony.

Drilling at the **Guney Zone** (11 holes (KT-12 to KT-17 & KT-19 to KT-22 & KT-24 to KT-25) has been technically difficult, intersecting a thick, flat-lying, massive sequence of calc-silicate rocks which contained multiple underground cavities up to 4 metres deep that caused several holes to fail at shallow depths and provided locally only very poor diamond drill core sample recoveries. Hole KT-12 returned **1.2m @ 1.4g/t Au** from 12.5m and 1.3m @ 0.6g/t Au from 17.2m before being abandoned in a cavity and drill hole KT-21 drilled on the northern part of the prospect intersected a wide zone (30.7 m) of silicified and altered breccia crosscutting a meta-siltstone rock sequence from 54.9m to 85.6m with associated higher concentrations of trace elements arsenic, antimony and silver more similar to those returning significant gold intersections at the Kuzey and Discovery zones.

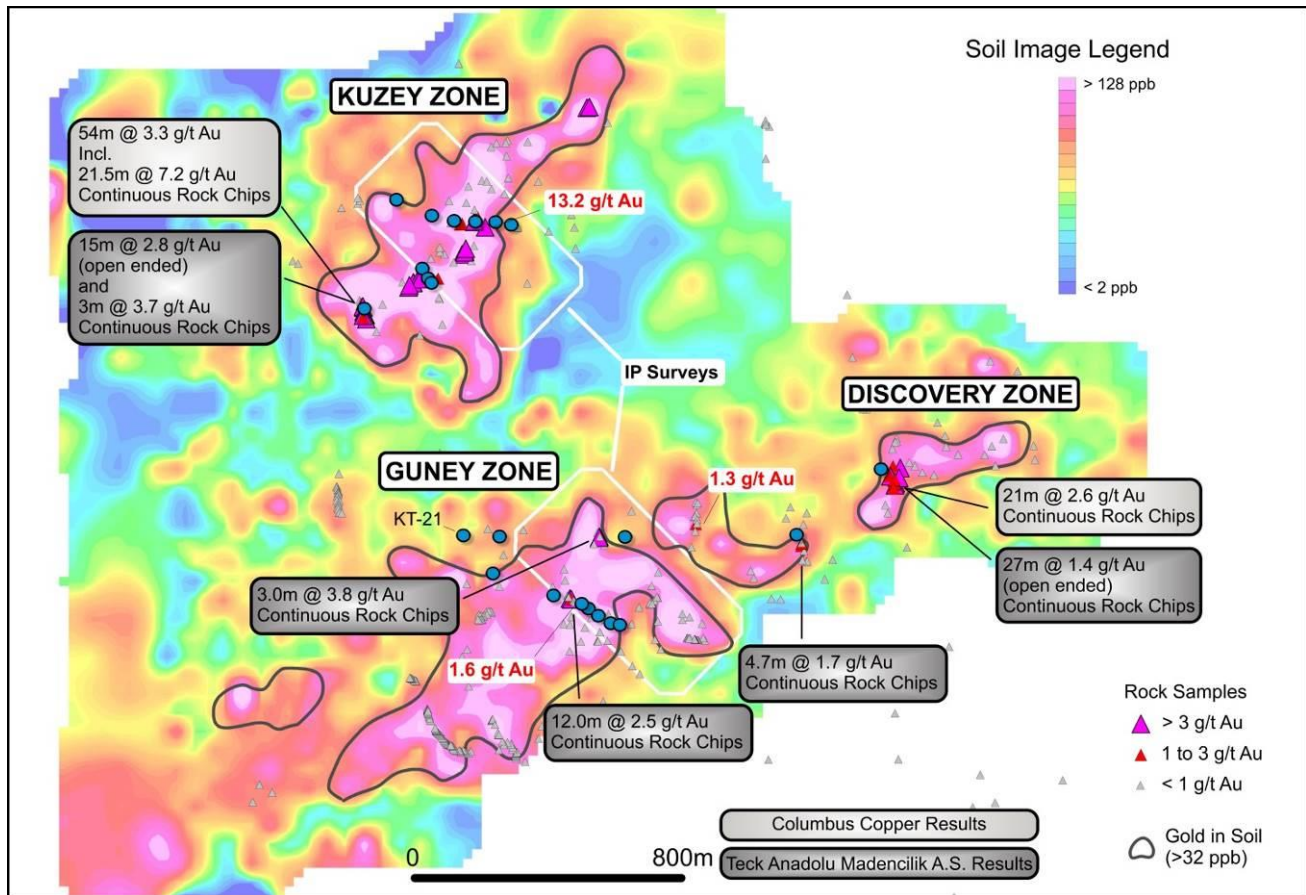
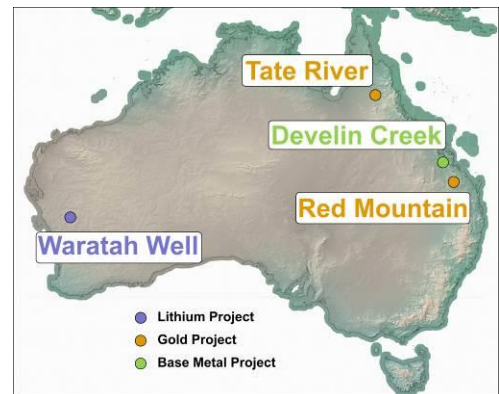


Figure 14: Plan Showing Kavaklitepe Project Gold Geochemistry

OTHER AUSTRALIAN EXPLORATION PROJECTS

The Company is continuing to explore projects that possess strong technical merit. The Company's main focus is advancing its project portfolio of high-quality lithium, gold and base metals projects.



DEVELIN CREEK COPPER-ZINC-GOLD-SILVER PROJECT – QUEENSLAND (Zenith 100%)

- Inferred Mineral Resource (JORC 2012) of: 2.57Mt @ 1.76% copper, 2.01% zinc, 0.24g/t gold and 9.6g/t silver (2.62% CuEq) released to ASX on the 15th February 2015.
- Upside to resource grades with Zenith RC hole twinning previous 1993 percussion hole returning significantly higher copper, zinc, gold and silver grades (300% to 700% higher);
- Initial metallurgical testwork results show positive first stage “rougher” recoveries of 90%;
- Highly prospective host rock extends for up to 50km north - south in Develin Creek tenure;
- Wilsons Copper Prospect up to 2.7% copper and 0.4% zinc in surface gossans;
- Systematic soil geochemical program continued with 2300 samples collected during the quarter;
- Drilling planned to test new targets and twin historical potentially ineffective drill holes.

Activities During the Quarter

Systematic surface sampling program continued to screen regional target zones with total of approximately 2,300 soil samples and 10 rock chip samples collected.

Planned Activities

Geochemical analyses to be completed in July-August.

TATE RIVER GOLD PROJECT – QLD (Zenith Earning up to 70%)

- Widespread bedrock gold mineralisation confirmed by Zenith excavator trenching program at the Guppy Strike prospect: with results including: 5m @ 3.92g/t Au, 3m @ 1.72 g/t Au, 3m @ 1.09 g/t Au and 2m @ 0.82g/t Au. Wide zones of strongly anomalous gold i.e. Trench GT12 (entire length average 166m @ 0.14g/t Au) indicate large scale gold mineralised system.
- Setting and geochemical association is indicative of an intrusion related gold system. Nearby deposits of this type include Mungana / Red Dome gold mine that had gold endowment of 2.7Moz Au.
- Focus is now on assessing the large gold prospective land-holding, an initial 700 soil sample assay results part of a larger planned systematic sampling program are awaited.

Activities During the Quarter

Systematic surface sampling program completed over regional target areas with total of approximately 700 soil samples and 16 rock chip samples collected.

Several new gold mineralised quartz veins and vein breccia zones were recognized and sampled during the quarter. Although assays results have been received for the rock chip samples with 6 samples returning greater than 1 g/t Au (maximum 2.11g/t Au), the Company is awaiting soils assay results to assist in determining the context and significance of the wide spaced rock sample gold results. Further details will be provided once soil results are available.

Planned Activities

Approximately 700 soil sample assay results are awaited.

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

- Initial reconnaissance field work by Zenith returned highly encouraging silver and gold rock chip sample results up to 114 g/t silver and 0.69 g/t gold;
- 1km long, high-order (>100 ppb) silver soil geochemical anomaly confirmed with results up to 1 g/t silver. Open ended silver soil anomaly provides target scale and immediate follow-up opportunity;
- Mineralisation hosted in felsic volcanic sequence that has not been previously recognized in this area and does not appear on regional government geological maps.

Activities During the Quarter

Nil this quarter.

Planned Activities

Follow-up mapping and sampling to define the extents of the gold-silver mineralisation is planned along with trenching to test the true thickness of the poorly exposed gold-silver zones and to track mineralisation where it extends beneath shallow soil cover to the southwest is planned.

WARATAH WELL LITHIUM-TANTALUM PROJECT – WA (Zenith 100%)

- Waratah Well Project covers area of extensive outcropping pegmatites (3km x 2km) in area where no reported previous exploration for lithium;
- Lithium rock chip sample results up to 1.75% Li₂O as well as widespread, high-grade tantalum up to 1166ppm Ta₂O₅ (ZNC ASX release - 27/04/18);
- High-grade tantalum mineralisation to be assessed in conjunction with lithium potential.

Activities During the Quarter

Given the high tantalum content of initial wide-spaced surface rock chip sampling the company commissioned a study of the tantalum minerals (deportment and chemistry) to ascertain marketability. Three tantalum bearing rock samples were sent to Townend Mineralogical Laboratory for examination and testing. The samples were shown to contain the tantalum bearing minerals dominated by microlite with lesser wodginite, tantalite, tantite and plumbo-microlite with variable grain sizes between 10 microns and 400 microns. Based on discussions with a speciality minerals marketing expert the mineral assemblages in this initial test of surface material appear to be a potentially marketable tantalum product.

Planned Activities

Additional surface mapping and sampling is required to scope out the distribution of tantalum mineralisation in conjunction with the assessment of the lithium potential of the project.

JOINT VENTURES & OPTIONS ON ZENITH PROPERTIES

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

The company has two projects optioned to partners:

- Earacheedy Zinc and
- Vivash Iron



EARAHEEDY ZINC PROJECT – WA (Zenith 100%, ASX: RTR option to acquire 75%)

- Wide spaced drilling defined stratiform zinc and lead mineralisation over 20km of strike within carbonate sediments of the Earacheedy Basin in Western Australia.
- Historical drilling intercepted high-grade zinc up to 18.6% within an intersection 3.3m @ 11.2% Zn, and 0.93% Pb from 150m. Other drill-holes include 2m @ 8.23% Zn and 2.77% Pb from 103m.
- Coarse grain sphalerite (Zn) and galena (Pb) with pyrite and marcasite occurs as breccias, veins and replacement zones within carbonates.
- Mineralisation style similar to Mississippi Valley Type (MVT) large high grade base metal deposits that include the Devonian Lennard Shelf deposits of the Kimberley Region of Western Australia.
- Gravity survey outlined a number of non-magnetic and non-topographic related gravity anomalies and trends that lies close to both northwest (basement faults) and northeast (cross faults) that provide potential new target zones structures;
- Geochemical sampling program completed - results awaited
- Drill testing planned by RTR in September 2018.

Activities During the Quarter

Rumble Resources completed a partial leach surface geochemical sampling program comprised of 370 samples on 200m x 200m spacings to cover the gravity trends and anomalies with the aim to help delineate base metal leakage haloes associated with potential mineralised fault breccias. Assay results are awaited.

Planned Activities

Rumble Resources Limited (RTR) are planning to drill test the Earacheedy zinc targets in September 2018 having now received Western Australian Government Exploration Incentive Scheme funding for the program.

Rumble Resources Limited Transaction

An option agreement was executed with Rumble Resources Limited (RTR) over the Earacheedy Zinc project, as announced to the ASX by RTR on the 12th October 2017. Zenith received RTR shares worth \$50,000 as an initial option payment. RTR may purchase a 75% interest in the Earacheedy Zinc project for \$550k in shares within 2 years, subject to a 2 year extension (for a further payment of \$200k cash / shares at ZNC's election). Upon exercise of option to purchase the Earacheedy Zinc project by RTR, ZNC is then free carried at 25% to the end of a BFS.

VIVASH GORGE IRON PROJECT – WA (ZENITH 100%, OPTION TO RTX)

- The Vivash Gorge project covers areas of prospective Brockman and Marra Mamba iron formations along strike of Rio Tinto Iron Ore's Brockman 4 operating iron ore mine in the Pilbara region of Western Australia.
- Evaluation to commence once land access obtained.

Activities During the Quarter

Binding term sheet executed with Rio Tinto Exploration Pty Ltd (RTX) whereby RTX has the right to explore, and an option to acquire 100% of, Zenith's Vivash Gorge Iron Project.

Background on Vivash Gorge Iron Project

The Vivash Gorge Iron Project (exploration licence E47/3071) is situated approximately 80km west of Tom Price in the Pilbara region of Western Australia. The project covers approximately 8km of strike of prospective Brockman and Marra Mamba iron formations along trend of Rio Tinto Iron Ore's Brockman 4 operating iron ore mine.

Option Terms

- RTX to pay Zenith an initial option fee of \$50k for a 1 year option period (running from execution date until 1 year after achieving land access) to exclusively explore the Vivash Gorge iron project;
- RTX able to extend the option period by a further 2 years by paying Zenith \$50k/annum;
- RTX able to exercise option to acquire 100% of the Vivash Gorge iron project before the end of the option period by paying Zenith a once off cash payment of \$500k;
- RTX to pay a success fee to Zenith of a further \$1.0m when RTX expends in excess of \$7.5m on the Vivash Gorge iron project, excluding tenement rents, rates & native title related costs;
- Should RTX on-sell the Vivash Gorge project to a third party within 5 years of acquiring it, an on-sale payment of 10% of the consideration would be payable to Zenith; and
- Other terms and conditions that are of an industry standard nature.

MINERAL RESOURCES IN RETENTION

The Company has secured retention licences over the Earahedy Manganese and Mt Alexander Iron deposits. The retention licence/status allows Zenith to hold the Mineral Resources but negates any ongoing Department of Mines statutory annual expenditure requirements for those licences for an extended period of time.

The Company regularly assesses the iron and manganese market conditions to determine if a development review of these assets is warranted.



MT ALEXANDER IRON PROJECT – WA (Zenith 100%)

Magnetite iron ore Mineral Resources are retained under retention licences pending an improvement in market conditions. Refer to the Company's website www.zenithmineralsl.com.au for further details.

EARAHEEDY MANGANESE PROJECT – WA (Zenith 100%)

Manganese Mineral Resources at Red Lake and Lockeridge are retained under retention licences pending an improvement in market conditions. Refer to the Company's website www.zenithminerals.com.au for further details.

NEW OPPORTUNITIES

In conjunction with its American lithium JV partner Bradda Head Ltd, the Company is assessing additional lithium brine opportunities.

CORPORATE

Nil

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Zenith Exploration Results and Exploration Targets is based on information compiled by Mr Michael Clifford, who is a Member of the Australian Institute of Geoscientists and an employee of Zenith. Mr Clifford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

The information in this report that relates to Mineral Resources at Zenith's Red Lake Earahedy project is based on information compiled by Mr Dmitry Pertel, a Competent Person who is a fulltime employee of CSA Global Pty Ltd and a member of the Australian Institute of Geoscientists (AIG). Mr Pertel has sufficient experience 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 Mineral Resources and Ore Reserves". Mr Pertel consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Zenith's Lockeridge - Earahedy project, Mt Alexander project and Mt Alexander West project is based on information compiled by Mr Rodney Michael Joyce, a Competent Person who is a director of the Company and a Member of the AusIMM. Mr Joyce has sufficient experience 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 Mineral Resources and Ore Reserves". Mr Joyce consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this report that relates to Zenith Exploration Targets at Mt Alexander is based on information compiled by R M Joyce, who is a director of the Company and a Member of the AusIMM. Mr Joyce 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 Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for its 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.

Zenith Minerals Limited

31st July 2018

For further information contact;

Directors Michael Clifford or Mike Joyce

Phone 08 9226 1110

RESULTS & JORC TABLES

Table 1: Split Rocks - Significant Gold Drill Results (4m composite samples)

	Hole_ID	From (m)	To (m)	Interval (m)	Gold (g/t)
	ZDAC114	0	4	4	0.26
	ZDAC118	40	44	4	0.2
	ZDAC130	52	57	5	0.24
	ZDAC146	4	12	8	0.36
including		8	12	4	0.61
	ZDAC166	0	4	4	1.16
	ZDRC003	68	72	4	0.13
	ZDRC004	36	44	8	0.13

Table 2: Split Rocks - Significant Cobalt Drill Results (4m composite samples)

Hole_ID	From (m)	To (m)	Interval (m)	Cobalt (%)	Nickel (%)
ZDAC158	24	32	8	0.05	0.09
ZDAC161	24	28	4	0.05	0.11

Table 3: Split Rocks - Drill Collars

Hole_ID	Hole Type	Easting	Northing	Datum	Hole_Depth	Dip	Azimuth
ZDAC105	Aircore	745746	6478720	GDA94_50	76	-90	0
ZDAC106	Aircore	745821	6478789	GDA94_50	71	-90	0
ZDAC107	Aircore	745896	6478860	GDA94_50	47	-90	0
ZDAC108	Aircore	745968	6478919	GDA94_50	50	-90	0
ZDAC109	Aircore	746041	6478989	GDA94_50	46	-90	0
ZDAC110	Aircore	746117	6479057	GDA94_50	49	-90	0
ZDAC111	Aircore	746194	6479123	GDA94_50	20	-90	0
ZDAC112	Aircore	746261	6479191	GDA94_50	30	-90	0
ZDAC113	Aircore	746347	6479259	GDA94_50	33	-90	0
ZDAC114	Aircore	746418	6479322	GDA94_50	29	-90	0
ZDAC115	Aircore	746494	6479390	GDA94_50	29	-90	0

ZDAC116	Aircore	746562	6479452	GDA94_50	22	-90	0
ZDAC117	Aircore	746107	6478515	GDA94_50	50	-90	0
ZDAC118	Aircore	746179	6478585	GDA94_50	58	-90	0
ZDAC119	Aircore	746252	6478651	GDA94_50	37	-90	0
ZDAC120	Aircore	746328	6478722	GDA94_50	25	-90	0
ZDAC121	Aircore	746398	6478784	GDA94_50	23	-90	0
ZDAC122	Aircore	746471	6478849	GDA94_50	25	-90	0
ZDAC123	Aircore	746547	6478921	GDA94_50	25	-90	0
ZDAC124	Aircore	746619	6478990	GDA94_50	20	-90	0
ZDAC125	Aircore	746695	6479057	GDA94_50	31	-90	0
ZDAC126	Aircore	746767	6479125	GDA94_50	29	-90	0
ZDAC127	Aircore	746842	6479190	GDA94_50	40	-90	0
ZDAC128	Aircore	746323	6478171	GDA94_50	66	-90	0
ZDAC129	Aircore	746395	6478236	GDA94_50	54	-90	0
ZDAC130	Aircore	746470	6478308	GDA94_50	57	-90	0
ZDAC131	Aircore	746544	6478367	GDA94_50	21	-90	0
ZDAC132	Aircore	746622	6478433	GDA94_50	23	-90	0
ZDAC133	Aircore	746693	6478506	GDA94_50	22	-90	0
ZDAC134	Aircore	746768	6478570	GDA94_50	36	-90	0
ZDAC135	Aircore	746843	6478637	GDA94_50	30	-90	0
ZDAC136	Aircore	746919	6478704	GDA94_50	29	-90	0
ZDAC137	Aircore	747011	6478786	GDA94_50	35	-90	0
ZDAC138	Aircore	747068	6478838	GDA94_50	35	-90	0
ZDAC139	Aircore	747141	6478902	GDA94_50	34	-90	0
ZDAC140	Aircore	746515	6477804	GDA94_50	40	-90	0
ZDAC141	Aircore	746587	6477873	GDA94_50	34	-90	0
ZDAC142	Aircore	746660	6477943	GDA94_50	25	-90	0
ZDAC143	Aircore	746739	6478010	GDA94_50	36	-90	0
ZDAC144	Aircore	746810	6478075	GDA94_50	26	-90	0
ZDAC145	Aircore	746887	6478142	GDA94_50	36	-90	0
ZDAC146	Aircore	746960	6478207	GDA94_50	46	-90	0
ZDAC147	Aircore	747037	6478276	GDA94_50	36	-90	0
ZDAC148	Aircore	747112	6478342	GDA94_50	33	-90	0
ZDAC149	Aircore	747184	6478405	GDA94_50	15	-90	0
ZDAC150	Aircore	747260	6478476	GDA94_50	5	-90	0
ZDAC151	Aircore	747334	6478541	GDA94_50	19	-90	0
ZDAC152	Aircore	747408	6478606	GDA94_50	20	-90	0
ZDAC153	Aircore	746796	6477528	GDA94_50	31	-90	0
ZDAC154	Aircore	746869	6477593	GDA94_50	23	-90	0
ZDAC155	Aircore	746942	6477662	GDA94_50	4	-90	0
ZDAC156	Aircore	747016	6477729	GDA94_50	22	-90	0
ZDAC157	Aircore	747086	6477792	GDA94_50	2	-90	0
ZDAC158	Aircore	747165	6477863	GDA94_50	46	-90	0
ZDAC159	Aircore	747238	6477927	GDA94_50	54	-90	0

ZDAC160	Aircore	747315	6477997	GDA94_50	41	-90	0
ZDAC161	Aircore	747389	6478065	GDA94_50	32	-90	0
ZDAC162	Aircore	747462	6478129	GDA94_50	13	-90	0
ZDAC163	Aircore	747540	6478199	GDA94_50	37	-90	0
ZDAC164	Aircore	747610	6478264	GDA94_50	13	-90	0
ZDAC165	Aircore	747687	6478330	GDA94_50	25	-90	0
ZDAC166	Aircore	746171	6479673	GDA94_50	32	-90	0
ZDAC167	Aircore	746135	6480176	GDA94_50	35	-90	0
ZDAC168	Aircore	746047	6480151	GDA94_50	37	-90	0
ZRB001	RAB	736966	6472186	GDA94_50	18	-90	0
ZRB002	RAB	736893	6472186	GDA94_50	9	-90	0
ZRB003	RAB	736628	6472191	GDA94_50	42	-90	0
ZRB004	RAB	736545	6472195	GDA94_50	49	-90	0
ZRB005	RAB	736467	6472199	GDA94_50	36	-90	0
ZRB006	RAB	736389	6472203	GDA94_50	22	-90	0
ZDRC001	RC	745147	6482376	GDA94_50	122	-90	0
ZDRC002	RC	745074	6482560	GDA94_50	144	-90	0
ZDRC003	RC	744947	6482935	GDA94_50	180	-90	0
ZDRC004	RC	745022	6483018	GDA94_50	114	-90	0
ZDRC005	RC	744827	6482957	GDA94_50	174	-90	0
ZDRC006	RC	744871	6483120	GDA94_50	150	-90	0

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	4m composite aircore drill samples were collected at depths ranging from 0 to 90m depth. Samples were collected via a cyclone.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Samples are considered to be representative of the intervals sampled.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	Aircore drilling was used to obtain 4 m composite samples from which 2 kg was pulverised with analysis by XRF for nickel, cobalt and scandium and fire assay for gold, with lithium by sodium peroxide fusion with ICPMS.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	Aircore drilling, reverse circulation face sample bit
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Selected samples were weighed in the field and using an estimated bulk density calculated weights were compared against weighed samples to check against visual estimates of recovery. Recovery data was recorded for each drilled metre.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Aircore drilling, reverse circulation face sample bit ensured good recoveries through-out the drill program, all samples were dry.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Excellent sample recoveries through-out drill program no bias likely.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	All drill samples were logged by a qualified geologist and descriptions recorded in a digital data base.

	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Qualitative logging, representative sample retained for each drill metre.
	<i>The total length and percentage of the relevant intersections logged.</i>	100%
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No core
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	4m composite samples, by tube sample
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were analysed at SGS Laboratories in Perth, 2 kg was pulverised and a representative subsample was analysed by XRF for nickel, cobalt and scandium and by fire assay for gold, with lithium by sodium peroxide fusion with ICPMS.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	~200g of sample was pulverised and a sub-sample was taken in the laboratory and analysed.
Sub-sampling techniques and sample preparation - continued	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Duplicate samples were taken in the field and analysed as part of the QA/QC process
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Each sample was approximately 2kg in weight which is appropriate to test for the grain size of material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were analysed at SGS Laboratories in Perth, 2 kg was pulverised and a representative subsample was analysed by XRF for nickel, cobalt and scandium. Note fire assay was used for gold, with lithium by sodium peroxide fusion with ICPMS.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Nil
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Blanks, certified reference material for nickel, cobalt, gold and lithium, and duplicate samples were included in the analytical batches and indicate acceptable levels of accuracy and precision. No certified reference material was included for scandium. Resampling of the mineralised zones at 1m intervals and analysis with a higher precision analytical technique is in progress and appropriate certified reference material will be included with the new assays for resamples.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	At least 2 Zenith company personnel have been to the prospect area and observed samples and representative drill chip samples
	<i>The use of twinned holes.</i>	Nil
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Field data were all recorded on paper logs and sample record books and then entered into a database

	<i>Discuss any adjustment to assay data.</i>	No adjustments were made.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample location is based on GPS coordinates +/-5m accuracy
	<i>Specification of the grid system used.</i>	The grid system used to compile data was MGA94 Zone 50
<i>Location of data points – continued</i>	<i>Quality and adequacy of topographic control.</i>	Topography control is +/- 10m.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Drilling is on 100m spaced holes with lines 500m apart.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Resampling of composite samples is required before any resource estimation can be made contemplated
	<i>Whether sample compositing has been applied.</i>	Simple weight average mathematical compositing applied
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	All Zenith drilling is vertical and is close to representing true width thickness of the sub-horizontal cobalt – nickel, scandium saprolite mineralisation. Orientations of gold and lithium mineralisation are less certain and further drilling is required to confirm the true orientations of gold and lithium mineralisation
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No bias based on current interpretation of sub-horizontal cobalt, nickel & scandium saprolite mineralisation
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	All samples were taken by Zenith personnel on site and retained in a secure location until delivered directly to the laboratory by Zenith personnel.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	The sampling techniques and data have been reviewed by two company personnel who are qualified as Competent Persons

Section 2 Reporting of Exploration

Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Split Rocks Project is located within 100% Zenith owned exploration licences E77/2388. The project is located predominantly in vacant crown land.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	All tenements are 100% held by Zenith and are in good standing with no known impediment to future granting of a mining lease.

<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Drilling was completed and reported in previous exploration report, A56331 – Forrestania Gold NL – 1998.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Forrestania greenstone belt is host to Archaean lode gold mesothermal systems, the area of Zenith's projects has been metamorphosed to amphibolite facies. Forrestania greenstone belt - this emerging lithium district is host to the new Earl Grey lithium deposit containing 128Mt @ 1.44% Li ₂ O (KDR ASX Release 5 th Dec 2016). Zenith is exploring for this style of lithium rich (spodumene) pegmatite. Cobalt, nickel & scandium mineralisation reported herewith is hosted in strongly weathered saprolitic clays overlying ultramafic rocks. Gold mineralisation is hosted within saprolite clays and weathered ultramafic rocks with associated quartz veining and minor pyrite.
<i>Drill hole Information</i>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <i>o easting and northing of the drill hole collar</i> <i>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>o dip and azimuth of the hole</i> <i>o down hole length and interception depth</i> <i>o hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>Drill collars are provided in Table 1, whilst significant gold results are included in Table 2 and cobalt and nickel results are included in Table 3..</p> <p>Additional regional aircore and RAB drill holes for which there are no cobalt, no nickel, no lithium and no scandium assays have not been reported.</p>
<i>Data aggregation methods</i>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	<p>Simple arithmetic weight averaging with minimum cut-off grade of 0.02% cobalt and including up to 4m of internal dilution.</p> <p>Simple arithmetic weight averaging with minimum cut-off grade of 0.1 g/t gold and including up to 4m of internal dilution.</p> <p>As above and included in Tables</p>
<i>Data aggregation methods - continued</i>	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>All Zenith drilling is vertical and is close to representing true width thickness of the sub-horizontal cobalt – nickel, scandium saprolite mineralisation. Orientations of gold and lithium mineralisation are less certain and further drilling is required to confirm the true orientations of gold and lithium mineralisation</p> <p>As above</p>

	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Length reported are down-hole lengths but are believed to be close to true thickness
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures 2,3,4 & 7 and Tables 1- 3 and descriptions in body of text
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Refer to Figures 2,3,4 & 7 and Tables 1- 3 and descriptions in body of text
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other meaningful or material exploration data to be reported at this stage.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	1m resampling of composite samples is required before any resource estimation can be made contemplated Follow-up drill testing is planned to test strike and width potential of the cobalt, nickel & scandium mineralisation, lithium mineralisation and gold mineralisation
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Follow-up drilling to be planned after receipt of 1m resamples of initial composite samples

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Zenith Minerals Limited

ABN

96 119 397 938

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	41	289
1.2	Payments for		
	(a) exploration & evaluation	(223)	(1,105)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(139)	(528)
	(e) administration and corporate costs	(130)	(560)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(450)	(1,900)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(5)	(6)
	(b) tenements (see item 10)	(39)	(40)
	(c) investments	-	(8)
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current Quarter \$A'000	Year to Date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	1
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(44)	(53)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	2,376
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,376

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,920	2,004
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(450)	(1,900)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(53)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,376
4.5	Effect of movement in exchange rates on cash held	24	23
4.6	Cash and cash equivalents at end of period	2,450	2,450

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,435	2,905
5.2 Call deposits	15	15
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,450	2,920

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

91

-

Reimbursement to directors of administration and exploration expenses incurred on behalf of the Company and for the payment of director services.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other – Credit Card Facility

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

15

0

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.


Credit Card Facility with ANZ bank which is secured by a term deposit with a right of set off to the total limit of the credit card facility.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	70
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	570

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				- -
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E77/2555	Application	-	100%
	P77/4504	Application	-	100%
	P77/4506	Application	-	100%
	P77/4507	Application	-	100%
	P77/4508	Application	-	100%
	P77/4509	Application	-	100%
	P74/379	Application	-	100%
	E59/2321	Application	-	100%

Compliance statement

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

Sign here: 
 (Director /Company secretary)

Date: 31st July 2018

Print name: **Melinda Nelmes**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report

has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.