



**Zenith**  
**MINERALS**  
LIMITED

12<sup>th</sup> September 2019

## Drilling Commenced to Test High-Grade Bedrock Gold Targets at Split Rocks - WA

- A program of approximately 2000m of RC drilling has commenced to test bedrock gold targets at Split Rocks;
- Historic high-grade bedrock gold exploration drill results within the project area include:
  - PDR1101 6.0m @ 16.91 g/t Au;
  - PSA013: 2.0m @ 32.73 g/t Au;
  - DHRC009: 2.0m @ 16.53 g/t Au;
  - P7SRC1: 2.0m @ 15.40 g/t Au;
  - Dac007: 5.0m @ 4.73 g/t Au;
  - DLRC006: 3m @ 7.97g/t Au;
  - COR072: 3.0m @ 6.40g/t Au;
  - CUR011: 6.0m @ 3.34 g/t Au and
  - PDR865: 9.0m @ 2.20g/t Au.
- Higher-grade historic gold drill results are mostly hosted within banded iron formation (BIF) whilst most of the deeper historic holes have not tested this BIF target zone;
- Additionally, wide strongly anomalous gold in bedrock intervals (32m @ 0.6 g/t Au and 57m @ 0.28g/t Au) occur within thick shallow dipping mineralised structures (likely thrust faults) tracking through the project area, beneath a large laterite gold rich zone that is approx. 4km x 1.5km in dimensions;
- The drill program is designed to follow-up on historic high-grade gold results and to test target zone where the large mineralised shallow dipping fault structures intersect the preferred BIF host rocks; and
- Dual purpose of testing bedrock gold targets and lithium pegmatite bodies identified in the historical drilling in this highly prospective Forrestania lithium belt.

Zenith Minerals Limited ("Zenith" or "the Company") is very pleased to announce that it has recommenced drilling at its Split Rocks project in Western Australia. An initial program of approximately 2000m of RC (13 holes to depths of 150m) will test bedrock gold targets beneath the currently operating Dulcie Heap Leach Gold Project (DHLGO). Zenith announced on the 21<sup>st</sup> March 2019 that it had executed an option agreement with the owners of the DHLGO whereby the Company has an exclusive right to explore for bedrock gold mineralisation beneath the large laterite rich gold cap currently being mined and treated on leases located contiguous with Zenith's Split Rocks project licences, located in the Forrestania greenstone belt, Western Australia (Figure 1).

Historical exploration reports on the area of the DHLGO leases highlight that high-grade gold mineralisation is predominantly hosted by moderately west dipping BIF units (Figures 2 & 3). High-grade historic drill results include: **6.0m @ 16.91 g/t Au, 2.0m @ 32.73 g/t Au, 2.0m @ 16.5 g/t Au, 2.0m @ 15.40 g/t Au, 5.0m @ 4.73 g/t Au, 4.0m @ 4.90 g/t Au and 9.0m @ 2.20g/t Au**, presenting several high-priority target zones for follow-up by Zenith.

### Corporate Details

ASX: ZNC

Issued Shares (ZNC) 212.8M

Unlisted options 4.15M

Mkt. Cap. (\$0.06) A\$13M

Cash (30<sup>th</sup> Jun 19) A\$1.1 M

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. 13.4%

J P Morgan 6.8%

Nada Granich 5.4%

Miquilini 4.3%

Abingdon 4.1%

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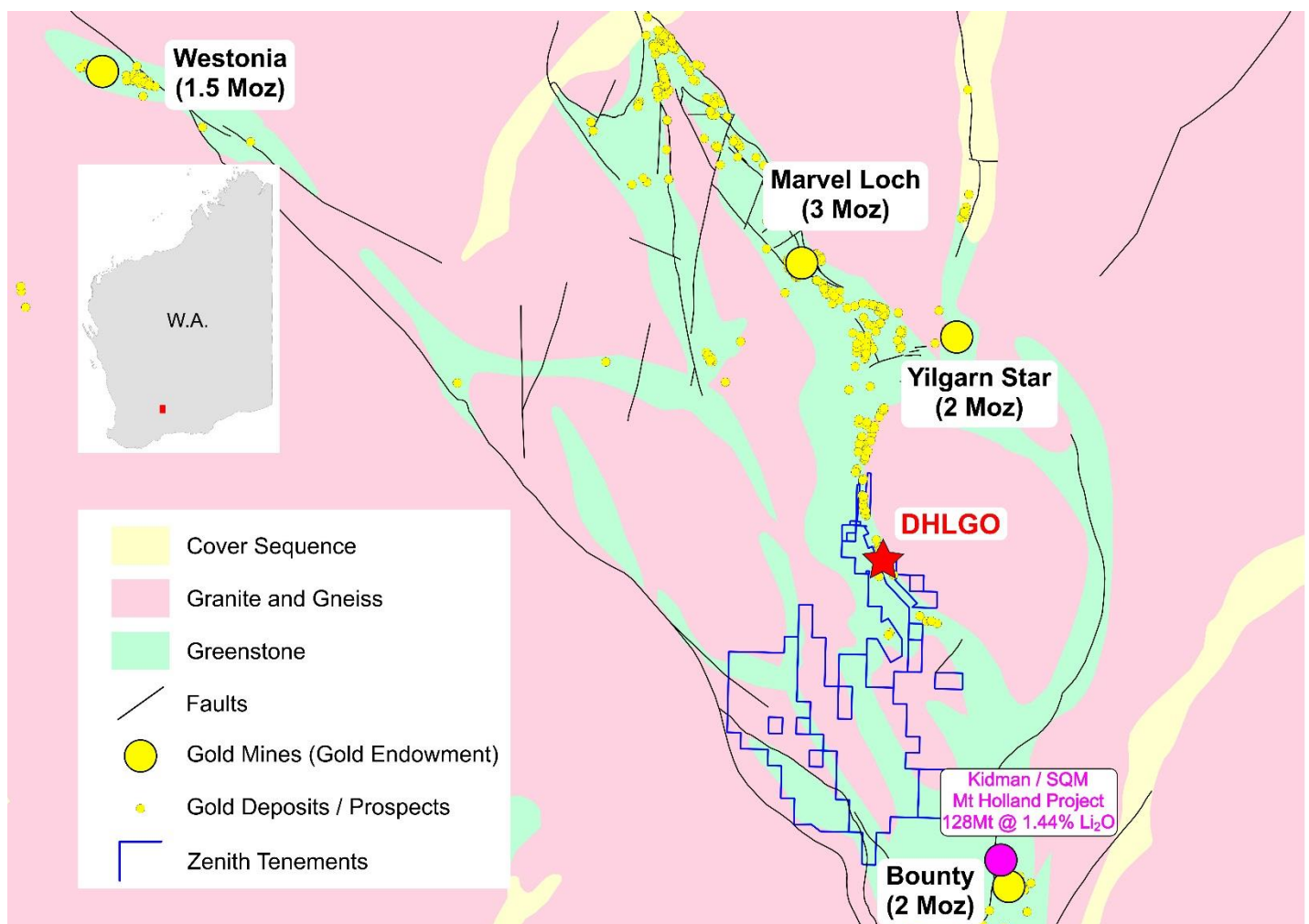
Of note, most historic drill holes have failed to adequately test Zenith's high-priority BIF target zone, where the shallow, wide, west dipping mineralised structures (with results such as: 32m @ 0.6 g/t Au and 57m @ 0.28g/t Au) intersect the north-south moderately west dipping preferred host rock BIF units. Most of the historic exploration drill holes have been collared to test the main laterite gold zone and are too far east of the target BIF host unit to be an effective test. In addition, most historic drill holes have only focused on the near surface laterite rich gold zone with only 38 holes of a total of 1,777 being drilled deeper than 75m (Figures 2 - 5). The average drill hole depth for the project area is only 19.7m.

Holes were drilled either vertical or at -60° east. Assuming moderate west dipping gold mineralisation then the intersection widths will be close to true widths, however there is insufficient drill density to be confident that all gold zones are dipping west and therefore caution must be applied regarding the widths of reported gold zones.

In addition, to the high-grade gold targets, several historic exploration drill holes intersected pegmatite but previous drilling was never analysed for lithium. Encouragingly, surface sampling by Zenith returned high lithium values up to 0.39% Li<sub>2</sub>O returned from a small pegmatite outcropping beneath the surface laterite as announced to the ASX on the 13<sup>th</sup> May 2019. The Company's proposed gold drill holes will also provide an initial first pass assessment of selected lithium targets in the area.

The area being drill tested is located immediately east of Zenith's Dulcie lithium target, where drilling by Zenith has confirmed thick pegmatite bodies (up to 79m downhole widths) – containing broad anomalous levels of lithium throughout 79m @ 284ppm Li<sub>2</sub>O with a peak value of 1m @ 1072ppm Li<sub>2</sub>O.

Zenith has been systematically exploring its 100% owned Split Rocks project with landholdings of approximately 500 sqkm in the Forrestania greenstone belt. This emerging lithium district is host to SQM-Kidman's Mt Holland/Earl Grey lithium deposit containing 189Mt @ 1.5% Li<sub>2</sub>O (KDR:ASX Release 19<sup>th</sup> Mar 2018).



**Figure 1- DHLGO Prospect and Split Rocks Project Location Map Showing Regional Gold Endowment**

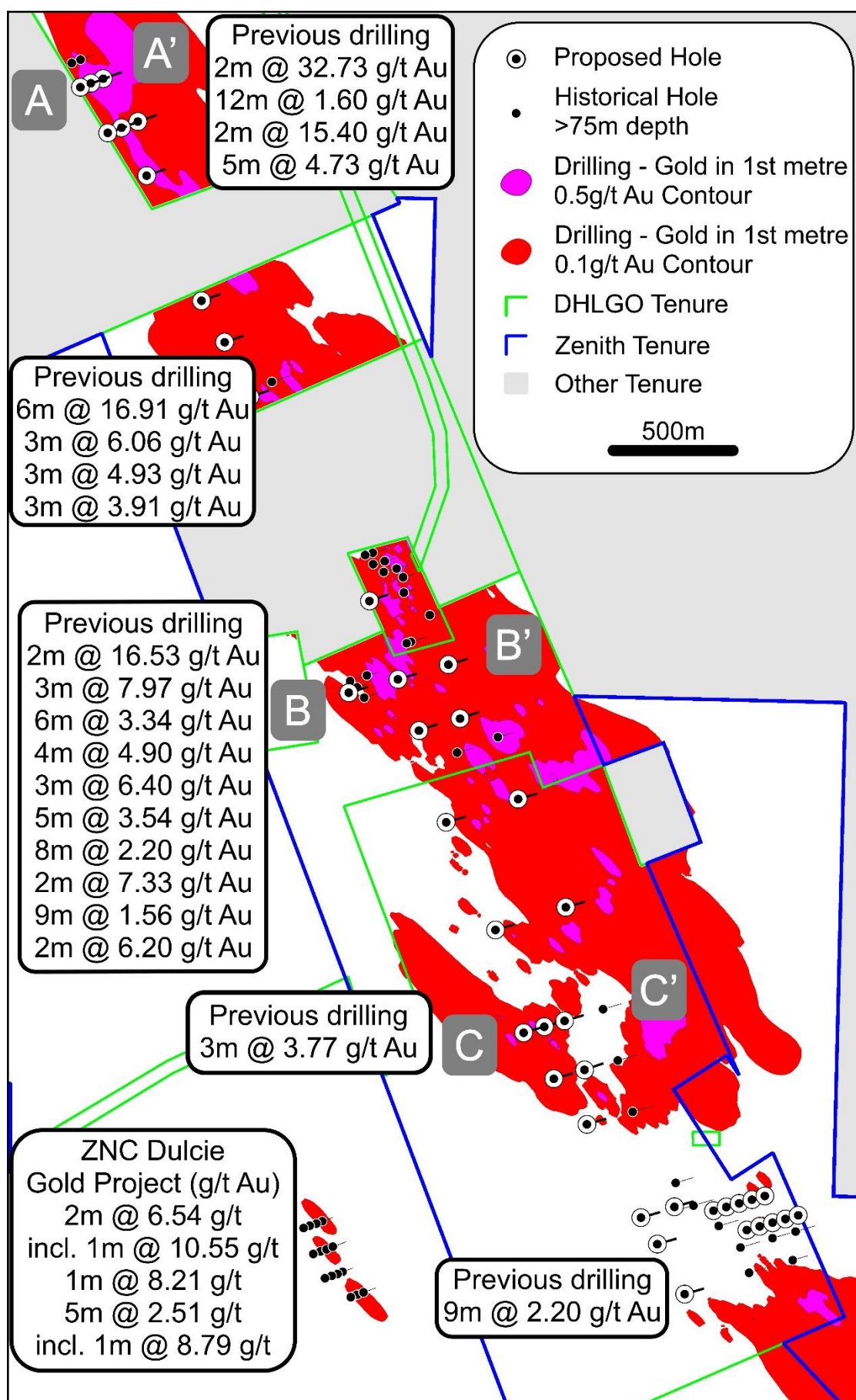


Figure 2- DHLGO Prospect Significant Drill Results and Proposed ZNC Drilling



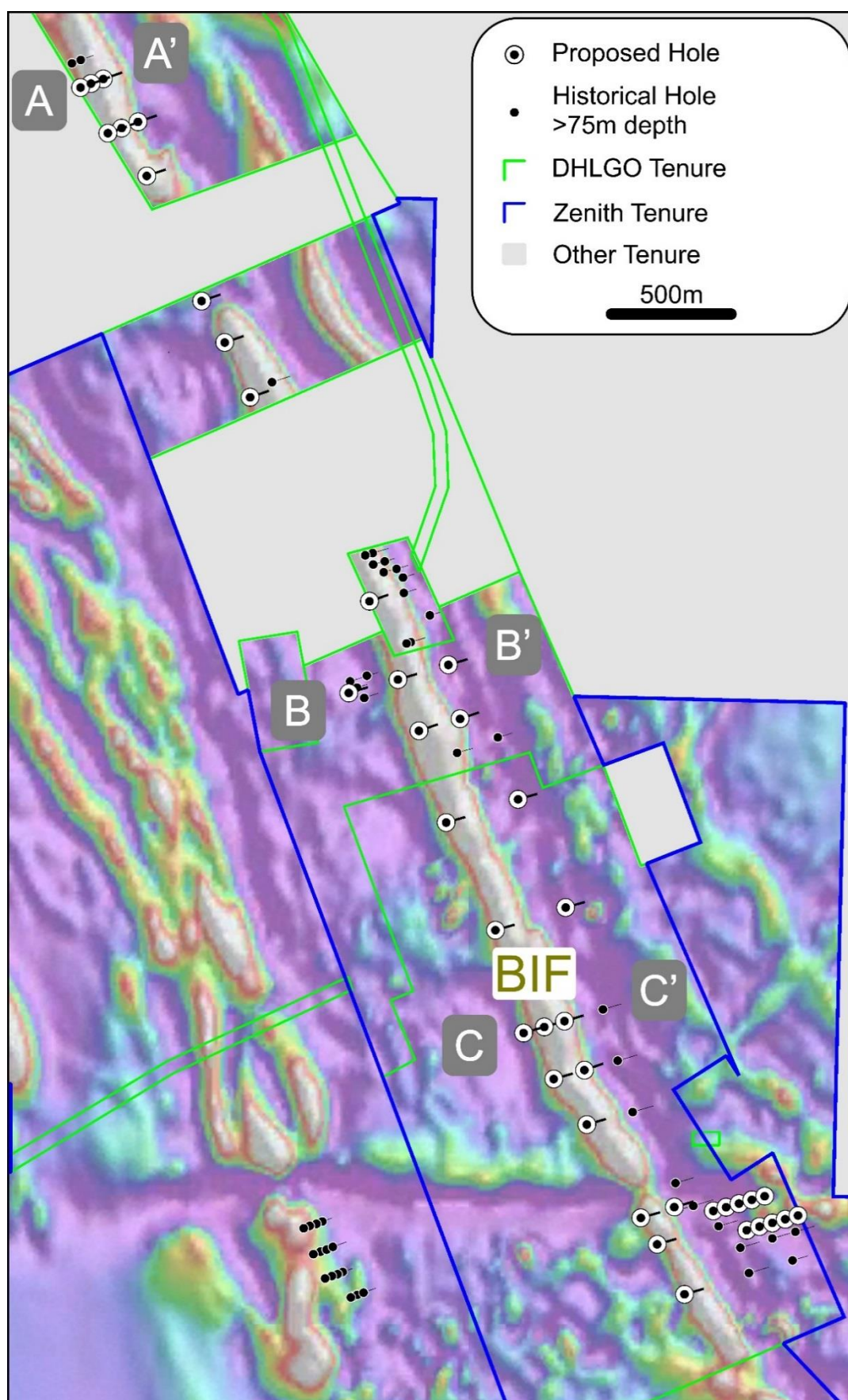


Figure 3 - DHLGO Prospect Proposed ZNC Drilling over Magnetic Image (RTP) Highlighting BIF Target Zone (Zenith proposed holes as white dots & only historic drill holes greater than 75m downhole depth shown – black dots)

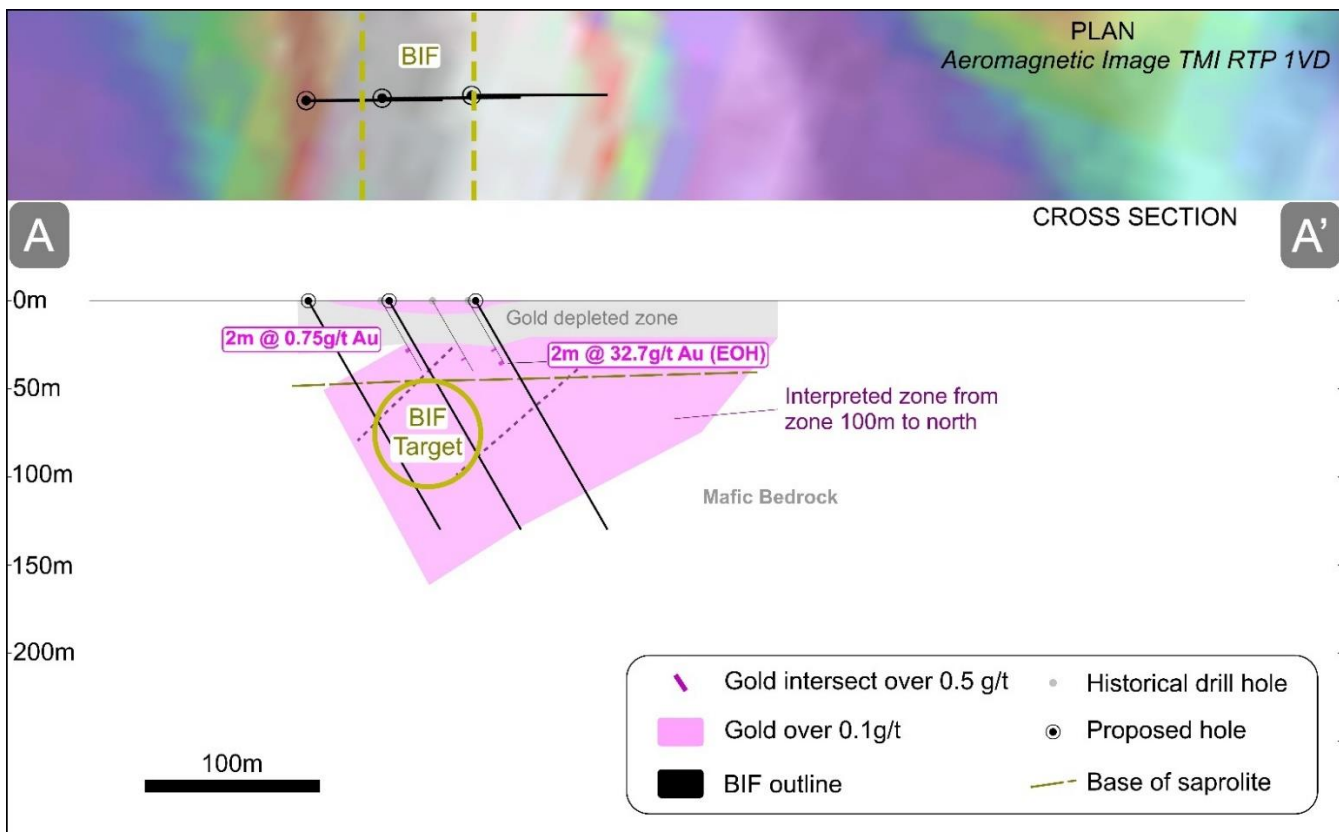


Figure 4 - DHLGO Prospect Plan & Cross Section A- A' Proposed ZNC Drill Test of BIF Target (open circles heavy lines)

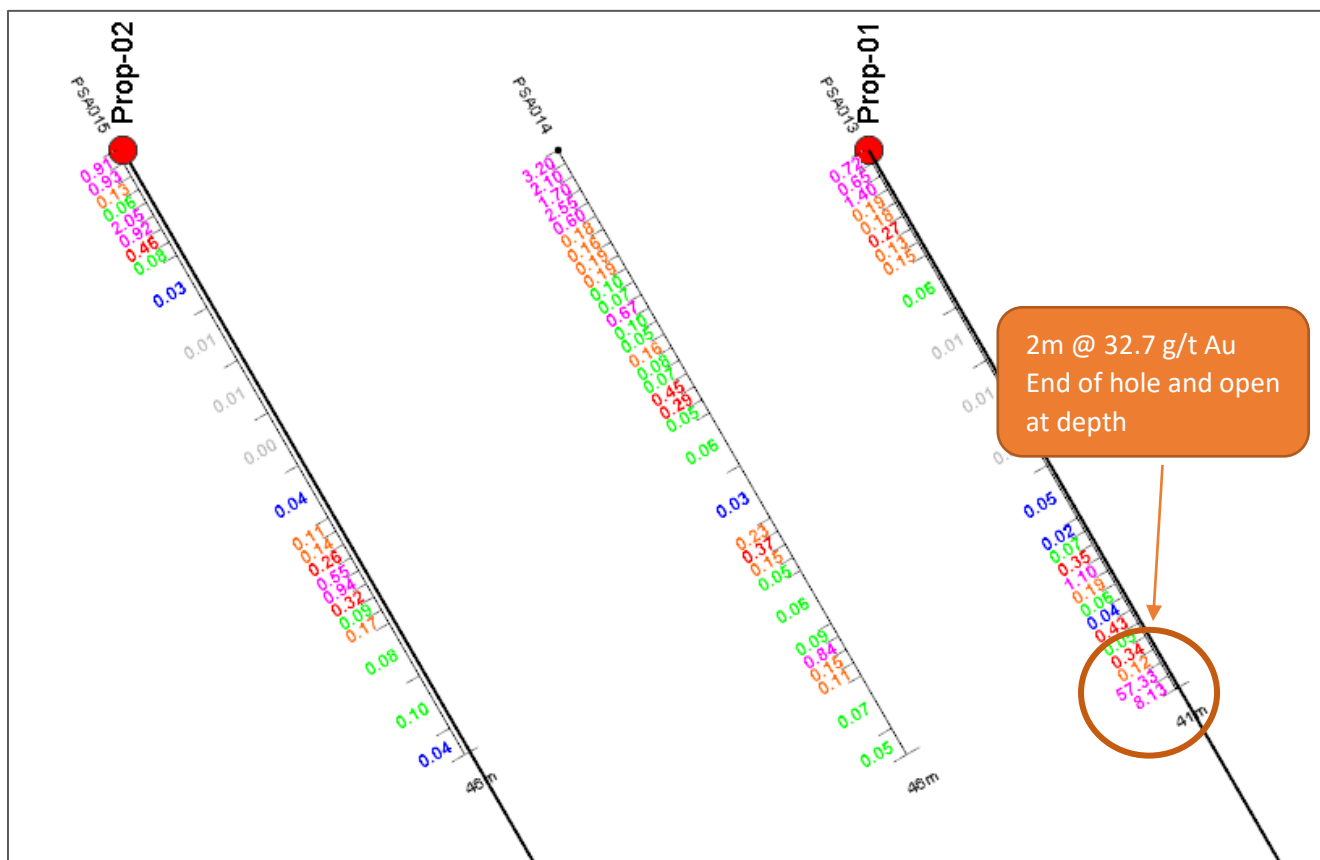


Figure 5 - DHLGO Prospect Section A- A' Zoom-In Showing Previous Shallow Drill Holes with Gold Results (g/t Au) and Proposed ZNC Drill Holes (red circles-heavy lines)



## Significant Bedrock Drilling Data Summary

**Table 1: DHLGO Prospect Significant Historic Gold Intersections (> 10 gram metres, lower cut-off grade 1 g/t Au, max 2m internal dilution). Refer to JORC Table ZNC ASX Release 21<sup>st</sup> March 2019– Section 2 for drill hole location details**

| Hole ID  | From (m) | To (m) | Interval (m) | Gold Grade (g/t Au) | Metal Content (gram metres = gold grade x downhole interval) |
|----------|----------|--------|--------------|---------------------|--|
| PDR1101  | 6.0      | 12.0   | 6.0          | 16.91               | 102  |
| PSA013   | 39.0     | 41.0   | 2.0          | 32.73               | 65   |
| DHRC009  | 69.0     | 71.0   | 2.0          | 16.53               | 33   |
| P7SRC1   | 40.0     | 52.0   | 12.0         | 1.60                | 19   |
| and      | 86.0     | 88.0   | 2.0          | 15.40               | 31   |
| Dac007   | 40.0     | 45.0   | 5.0          | 4.73                | 24   |
| DLRC006  | 42.0     | 45.0   | 3.0          | 7.97                | 24   |
| PDR865   | 30.0     | 39.0   | 9.0          | 2.20                | 20   |
| CUR011   | 24.0     | 30.0   | 6.0          | 3.34                | 20   |
| LDRC004  | 13.0     | 17.0   | 4.0          | 4.90                | 20   |
| CUR072   | 9.0      | 12.0   | 3.0          | 6.40                | 19   |
| PDR1084  | 27.0     | 32.0   | 5.0          | 3.54                | 18   |
| PR-04    | 7.0      | 10.0   | 3.0          | 6.06                | 18   |
| DLRC1011 | 56.0     | 64.0   | 8.0          | 2.20                | 18   |
| PDR1361  | 15.0     | 18.0   | 3.0          | 4.93                | 15   |
| CURC8    | 62.0     | 64.0   | 2.0          | 7.33                | 15   |
| PDR1000  | 36.0     | 45.0   | 9.0          | 1.56                | 14   |
| PDR1357  | 36.0     | 39.0   | 3.0          | 3.91                | 12   |
| DLRC1002 | 36.0     | 38.0   | 2.0          | 6.20                | 12   |
| PDR1131  | 15.0     | 18.0   | 3.0          | 3.77                | 11   |

## Option Agreement - Summary of Key Terms

Zenith announced on the 21<sup>st</sup> March 2019 that it has a 2-year option to explore for bedrock gold (any gold 6 metres below surface) and lithium mineralisation on tenements covering the operating Dulcie Heap Leach Gold Project (DHLGO) in exchange for surface laterite gold rights on Zenith's adjoining exploration licence E77/2388.

Zenith may at its sole election exercise the option through the payment of a 2% NSR royalty payable on any future bedrock gold production from the DHLGO project area.

DHLGO owners may at their election purchase any new laterite hosted surface gold mineralisation (gold above 6m below surface) defined by Zenith on E77/2388 or from within the DHLGO area for \$20.00/oz Au subject to a rise and fall formula linked to various cost and revenue factors including but not limited to gold, diesel and cyanide prices.

Various other industry standard terms and conditions.



### **Competent Persons Statement**

*The information in this report that relates to Exploration Results 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.*

**12<sup>th</sup> September 2019**

### **For further information contact:**

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