



Zenith
Minerals
Limited

ABN 96 119 397 938

ELECTRONIC TRANSMISSION

DATE: 22 February 2016

TO: Manager - Announcements
Company Announcements Office
ASX Limited

N° OF PAGES: 2 (incl. this page)

RE: **CAPITAL RAISING – SHARE PLACEMENT & PROPOSED ENTITLEMENTS ISSUE TO RAISE UP TO \$1.5 MILLION**

Dear Sir/Madam

The Directors of Zenith Minerals Limited (“Zenith” or “Company”) are pleased to advise that the Company has received firm commitments from Australian and overseas sophisticated investors to raise \$400,000 before costs through a placement of 10 million shares at \$0.04 per share with a 1:2 attached option exercisable at \$0.10 by 31 December 2017. The shares will be issued within the Company’s 15% capacity, pursuant to ASX Listing Rule 7.1.

The Company also plans to offer all shareholders at the record date the opportunity to participate in a pro-rata, non-renounceable, 1 for 5 entitlements issue at \$0.04 per share with an attached 1:2 option exercisable at \$0.10 by 31 December 2017, which if fully subscribed, will raise a further \$1,109,177 (subject to the exercise of existing options). An Offer document, including an indicative timetable of key dates, will be lodged with the ASX within the next few days.

It is intended that the options issued under both the placement and rights issue will be listed on ASX.

The Company intends to apply the funds raised under the Rights Issue Offer towards advancing its portfolio of gold, copper-zinc and lithium exploration projects, and towards working capital.

At Develin Creek in Queensland, the Company has generated new targets at Wilsons South and Huntsman, in the same rock sequence as the Company’s currently identified copper-zinc massive sulphide deposits which have Inferred Mineral Resources (JORC 2012) of 2.57Mt @ 1.76% copper, 2.01% zinc, 0.24g/t gold and 9.6g/t silver. Further geochemical sampling and mapping is planned along with drilling at the known deposits and new targets.

Kavaklitepe is a new gold discovery in Turkey where rock traverse sampling along a road bank returned 54 metres @ 3.33g/t gold, including 21.5 metres at 7.2 g/t gold. Reorganisation of Kavaklitepe gold project joint venture with a Turkish subsidiary of Teck Resources Limited taking over management under a new option agreement was announced to the ASX on the 30th November 2015. An operational licence has been approved for the project, drill permits have been submitted with drilling planned in 2016. Zenith is free carried for the first US\$700,000 of expenditure (which is to include 1,500m of drilling) by Teck and new funds may be applied towards future joint venture contributions, post the Teck earn-in.

Further surface sampling is planned at the Woods prospect at Mt Minnie in Western Australia, where the discovery of high-grade (up to 11.4g/t gold) in surface rock samples has been confirmed and soil geochemical sampling has defined a gold in soil anomaly.

In addition, Lithium potential has recently been recognized at Zenith's existing 100% Mt Alexander Project, as announced to the ASX on the 2nd February 2016. Seven rock chip samples with lithium oxide assays ranging from 3.38%Li₂O to 4.05% Li₂O were reported from a lepidolite rich pegmatite dyke, one of more than 100 mapped pegmatite and granite dykes. The other pegmatite dykes do not appear to have been systematically mapped or sampled for lithium. Surface mapping and sampling along with an assessment of existing drill samples is planned. The Company is assessing the lithium potential of its entire tenement portfolio as well as several new lithium target opportunities.

A notice under section 708A of the Corporations Act in relation to this placement and an associated Appendix 3B will be issued once the shares have been allotted.

Yours faithfully

Michael Clifford
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Michael Clifford, who is a Member of the Australasian Institute of Geoscientists. Mr Clifford is a full time employee of the Company and 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 appear.

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.