



4th December 2017

New Large Lithium Anomalies at Split Rocks

- ◆ Three new, large scale lithium geochemical anomalies defined at Zenith's 100% owned Split Rocks Project in the Forrestania greenstone belt, Western Australia;
- ◆ Anomalous zones occur surrounding granite bodies that may be potential source rocks for lithium pegmatites;
- ◆ Zenith tenure located 10km northwest of Earl Grey lithium pegmatite deposit (ASX:KDR/SQM);
- ◆ Targets to be drill tested early 2018, following field assessment and permitting;
- ◆ Sampling for lithium to date covers less than 10% of the Company's tenement area.

Zenith Minerals Limited ("Zenith" or "the Company") is very pleased to advise that first pass geochemical sampling in the central portion of the 100% owned, Split Rocks project has returned three large scale, coherent, lithium anomalies surrounding granite intrusions (Figure 1). Zenith is systematically exploring the Split Rocks project located in Western Australia for both gold and lithium. Large parts of the western portion of the project area are covered by thick, low lying scrub that has restricted past exploration activities.

The Split Rocks Project covers a large area (>500sqkm) of the Forrestania greenstone belt, this emerging lithium district is host to the new Earl Grey lithium deposit containing 128Mt @ 1.44% Li₂O (KDR ASX Release 5th Dec 2016). Zenith is exploring for this style of lithium rich (spodumene) pegmatite within its large land holding.

As detailed in Zenith's ASX release on the 14th September 2017 first pass surface soil and auger samples taken at Split Rocks, to date covering less than 10% of the Company's tenements, were analysed at a commercial laboratory for gold only initially and outlined strong gold anomalies at the Mawson and Casey prospects, where permits to allow drill testing have recently been granted, and drilling is planned to commence this week.

The Company has now analysed the majority of those assay pulps for lithium, the results of which are detailed in this release.

Zenith has defined three coherent zones of anomalous lithium, tantalum and rubidium surrounding granite bodies that may be potential source rocks for lithium bearing pegmatites (Figure 1).

The northern lithium anomaly outlined by auger sampling on 400m spaced lines extends over 2.5km of strike with discrete zones that are 500m in width (Figure 2). Samples from a further four sample lines in the south eastern portion of the grid yet to be analysed for lithium, these will be dispatched to the laboratory for analysis this month.

The central lithium anomaly outlined by soil sampling also on 400m spaced lines extends over 1.2km of strike, open to the south and is 200 to 500m in width (Figure 3).

In the southwest soil sampling has defined lithium, rubidium and tantalum anomaly over 2.5km of strike with a central, strong, coherent lithium zone comprised of two subparallel trends extending over 1.2k of strike (Figure 4). Non lithium bearing pegmatite crops out in the core of this central zone where the lithium soil results are of low order. This may indicate a

Corporate Details

ASX: ZNC

Issued Shares (ZNC)	193M
Listed options (ZNCO)	20 M
Unlisted options	3.5M
Mkt. Cap. (\$0.12)	A\$23 M
Cash (Sep 2017)	A\$1.3 M
Debt	Nil

Directors

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

Major Shareholders

HSBC Custody, Nom.	6.6%
City Corp Nom	6.2%
Nada Granich	6.1%
Abingdon	4.1%
Miquilini	4.1%

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possible zoned pegmatite system whereby lithium bearing pegmatite may be present beneath the soil cover some 100 to 150m away from the outcrop.

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 planned for this month will precede permitting and drill testing.

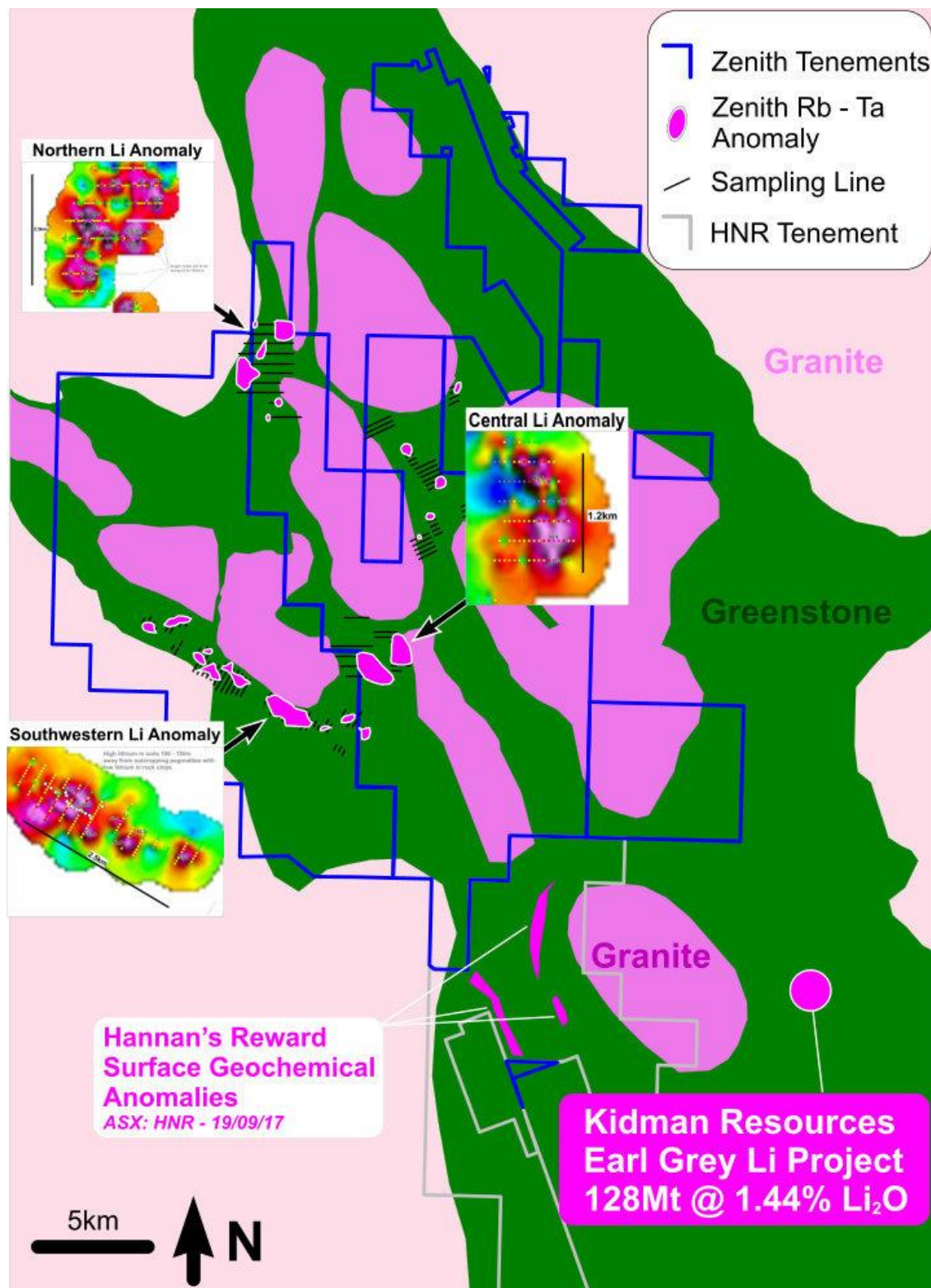


Figure 1: Split Rocks Project – Lithium Anomalies Overlying Generalised Geology

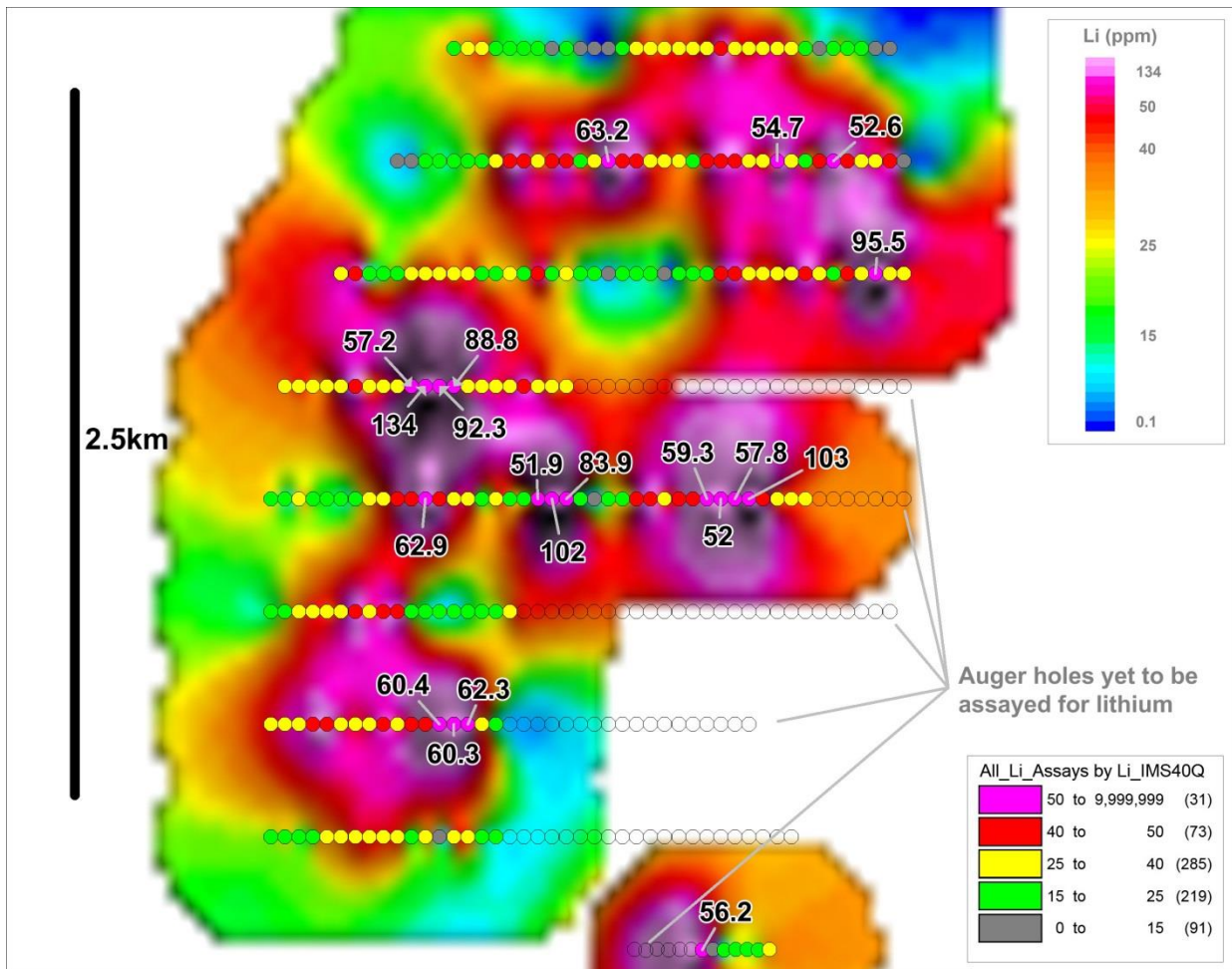


Figure 2: Northern Lithium Auger Anomaly

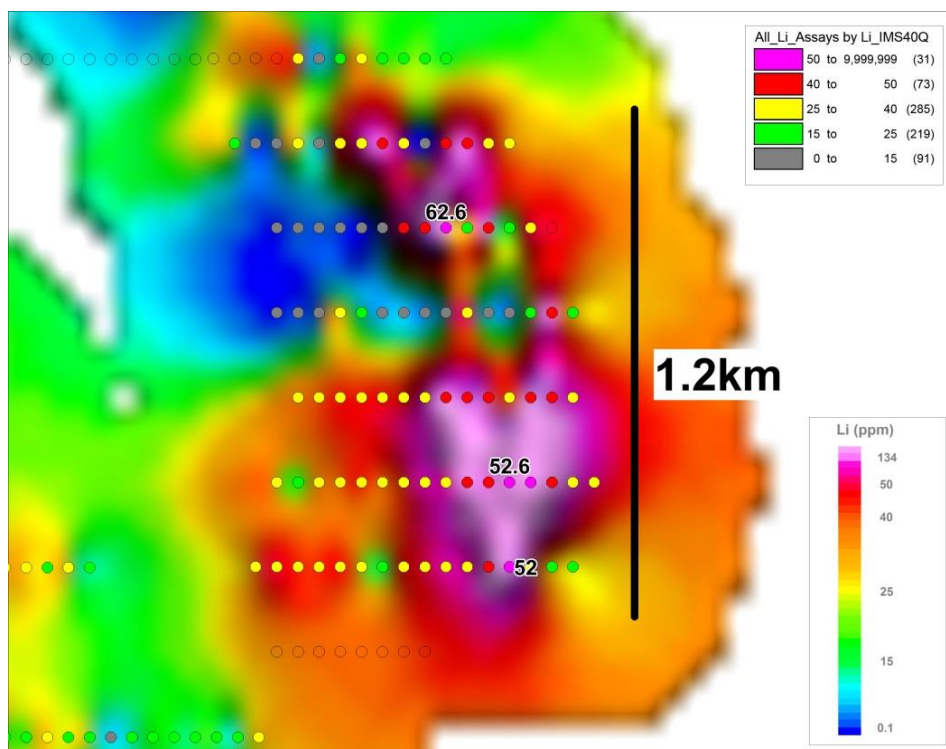


Figure 3: Central Lithium Soil Anomaly

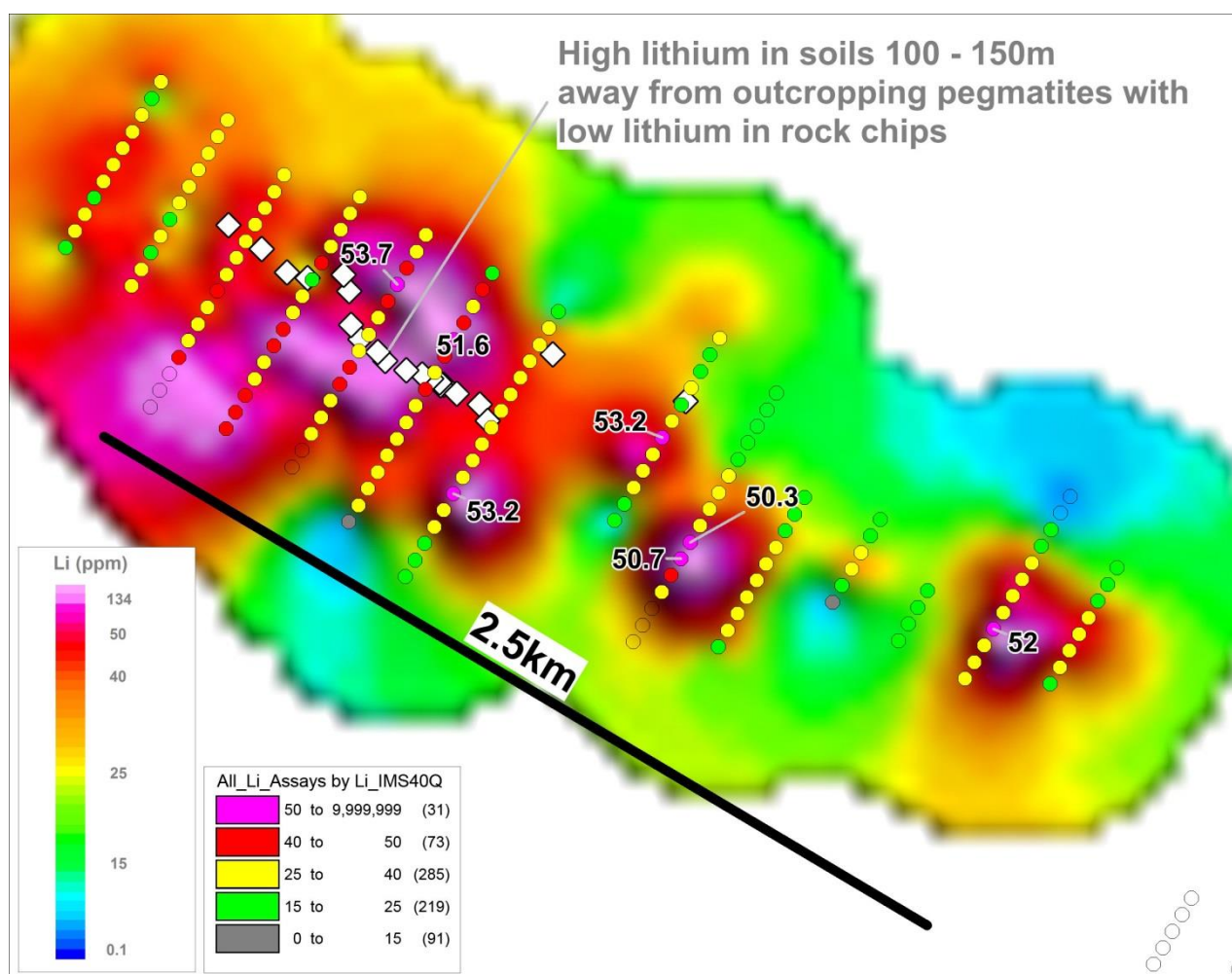


Figure 4: Southwestern Lithium Soil Anomaly (the white diamonds are rock samples along a zone of pegmatite outcrop)

Background on the Split Rocks Lithium-Gold Project Western Australia

Lithium Potential

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 128Mt @ 1.44% Li₂O (KDR ASX Release 5th Dec 2016).

Zenith's northern Split Rocks exploration licences are located 10km northwest of the new Earl Grey lithium pegmatite discovery whilst exploration licence applications in the southern portion of the Forrestania Greenstone belt are located 2km west and 5km northwest, respectively, of the South Iron Cap Lithium Prospect where resampling by Western Areas (ASX:WSA) of historic nickel drilling has returned results including 50m @ 0.95% Li₂O.

The Company notes that the majority of previous exploration activity reviewed to date covering the new exploration licence applications is surface based focused solely on nickel exploration and only limited fresh rock drilling programs, with no evidence of any lithium analyses during past exploration programs. However, several historic exploration drill holes documented in open file reports did intersect pegmatites in areas within Zenith's applications and along strike adding significantly to their lithium prospectivity.



Gold Potential

There are two main gold trends in the Forrestania Greenstone Belt; an eastern gold trend that includes the Bounty gold mine and associated smaller scale gold deposits extending north to Southern Cross where the large gold mines at Marvel Loch have been exploited (Figure 5). A second gold trend lies on the western side of the greenstone belt and includes deposits that have been mined at Van Uden and Teddy Bear as well as those under assessment by ASX:CLZ at Lady Ada and Lady Magdalene (240k oz gold). Zenith's new Mawson and Casey gold anomalies (as detailed in ASX Release 14th September 2017) lie along this western trend within an area of dense scrub vegetation that has historically limited access and resulted in historically lesser exploration activity.

- ◆ **Mawson Target- auger soil anomaly is 1.4km long, >10ppb Au with individual soil results up to 1g/t Au, coincident with major jog in the regional shear zone;**
- ◆ **Casey Target - auger anomaly now 3km long x 500m wide, > 10ppb Au with soil results up to 0.12g/t Au, also associated with major jog in regional shear zone.**

On the eastern gold trend historic shallow RC drilling completed in 2005 north east of the British Hill gold deposit, which is located between Zenith's new licence applications, intersected significant gold mineralisation with results including: 34m @ 0.48g/t gold (Au), including 7m @ 1.57 g/t Au from 37m depth, open to the south west (as previously reported in ZNC - ASX Release 16th August 2016). Nine of the thirteen drill holes returned 1m intercepts greater than 0.5 g/t Au ranging up to 1m @ 8.6 g/t Au. Mineralisation is hosted within saprolite clays and weathered ultramafic rocks with associated quartz veining and minor pyrite. This gold mineralised zone remains open to the south and was not followed up by previous explorers.

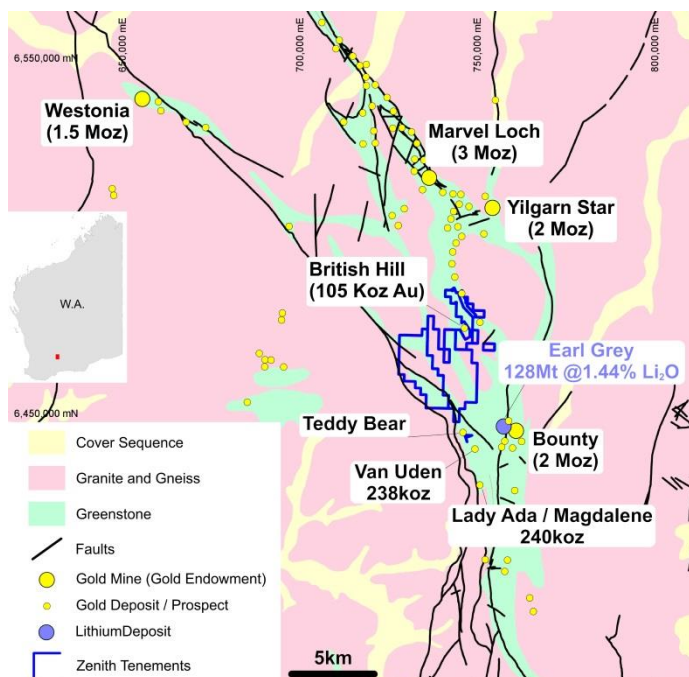


Figure 5: Split Rocks Project Tenure and Regional Gold Endowment



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.

4th December 2017

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Zenith is advancing its project portfolio of high-quality, gold, lithium and base metal projects:

Kavaklitepe Gold Project, Turkey (ZNC 30%, Teck 70%)

- Recent (2013) grass roots gold discovery in Tethyan Belt
- Continuous rock chip sampling to: 54m @ 3.33g/t gold, including 21.5m @ 7.2 g/t gold
- Initial 2016 drill results include: 9 m @ 5.2 g/t Au from surface, 7.8 m @ 7.3 g/t Au from 3.3 m and 16.4m @ 4.7 g/t Au from 82.1m depth. Follow-up drilling planned early 2018.

American Lithium Projects (Bradda Head earning initial 55%)

Zacatecas Lithium Brine Project, Mexico

- New tenure (26,000 acres) over extensive system of salt lakes within an emerging lithium brine district
- Lithium brines to 2.1% lithium reported in sampling conducted by the Mexican Government from solar evaporation ponds for salt production (10km west of Zenith's new tenure).
- Electrical geophysical surveys planned

San Domingo Lithium, Arizona USA

- 9km x 1.5km lithium pegmatite field, initial surface sampling returned: 5m @ 1.97%Li₂O including 2.4m @ 2.49% Li₂O - Drill permitting in progress

Spencer & Wilson Salt Flat Lithium Brine Projects, Nevada USA

- Two lithium brine targets in producing lithium region - Geophysical surveys & infill sampling prior to drilling

Burro Creek Lithium, Arizona USA (ZNC option to acquire)

- Large scale lithium (Li) clay target under exclusive option - Positive initial metallurgical testwork to assess ease of extracting lithium, permitting for trenching and drilling in progress.

Australian Projects

Develin Creek Copper-Zinc-Silver-Gold, QLD (ZNC 100%)

- 3 known VHMS massive sulphide deposits - JORC resources, 50km of strike of host rocks.
- 2011 drilling: 13.2m @ 3.3% copper, 4.0% zinc, 30g/t silver & 0.4g/t gold - Drilling planned to extend known deposits, geophysics, geochemistry to detect new targets

Split Rocks Lithium & Gold, WA (ZNC 100%)

- 100% owned exploration licences covering 500km² in emerging Forrestania lithium district.

Tate River Gold QLD (ZNC earning up to 70%)

- Trenching returned 5m @ 3.9g/t Au as well as widespread strongly anomalous gold zones such as 166m @ 0.14g/t Au.

Red Mountain Gold-Silver Project QLD (ZNC 100%)

- Initial reconnaissance rock chip sampling results up to 114 g/t silver and 0.69 g/t gold, associated with strong, open ended silver soil anomaly. Follow-up sampling planned

Waratah Well Lithium -Tantalum Project WA (ZNC 100%)

- Extensive outcropping pegmatites (3km x 2km) in north east of tenure, encouraging lithium rock chip sample results up to 0.34% Li₂O as well as widespread, high-grade tantalum up to 1166ppm Ta₂O₅.

Earaheedy Manganese Project, WA (ZNC 100%) - Manganese province discovered by ZNC, potential DSO drill intersections (+40%Mn)

Mt Alexander Iron Ore, WA (ZNC 100%) - JORC magnetite Resource 566 Mt @ 30.0% Fe close to West Pilbara coast, 50% of target untested - Seeking development partner/ buyer for iron project



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>	Auger samples were collected at depths ranging from 0.3 – 1.5m depth. Soil samples were collected at the 20cm below surface and sieved to -2mm. Lag samples were collected at surface and sieved to +2mm.
	<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 near surface material 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>	200g surface samples were collected by a field technician as stated above. Samples were pulverised to -75 micron before analysis.
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>	No Drilling
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No Drilling
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No Drilling



	<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>	No Drilling
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 samples were described 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
	<i>The total length and percentage of the relevant intersections logged.</i>	No Drilling
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No Drilling
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	No Drilling
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were analysed at SGS Laboratories in Perth, the samples were pulverised and assayed for gold using fire assay
	<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>	Sampling was on systematic grids with lines 200 to 400m apart and samples at 100m along lines.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Each sample was approximately 200g in weight which is appropriate to test for the grain size of material.
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>	The samples were originally pulverised and assayed for gold using fire assay. The technique is close to a total analysis. A selection of sample concentrates was then re-assayed for lithium and other elements by a combination of ICP-MS and ICP-OES.
	<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>	Prior to being assayed for lithium, all samples were analysed by portable XRF using an Innovex DP 2000 analyser. These analyses are not reported in this document.



	<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>	Laboratory standards and blanks were included for the lithium analyses.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Company personnel have observed the assayed samples
	<i>The use of twinned holes.</i>	No drilling
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Field data were all recorded in field note books and sample record books and then entered into a database
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made.
Location of data points	<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
Location of data points – continued	<i>Quality and adequacy of topographic control.</i>	Topography control is +/- 10m.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Original sampling was on systematic grids with lines 400m apart and samples at 50m along lines.
	<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>	The data alone will not be used to estimate mineral resource or ore reserve
	<i>Whether sample compositing has been applied.</i>	No mathematical compositing applied
Orientation of data in relation to geological structure	<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>	Original sampling was on systematic grids with lines 400m apart and samples at 50m along lines.
	<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 drilling
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were kept in numbered bags until delivered to the laboratory
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques are consistent with industry standards



Section 2 Reporting of Exploration

Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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 E77/2386 & E77/2375. 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.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Hannans Reward completed auger sampling within the area of the Mawson and Casey anomalies reported in this release. Zenith's work has both confirmed and extended the previous gold – arsenic anomalies. The targets have not been drill tested to date.
Geology	<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.
Drill hole Information	<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>	No drilling
	<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>	
	<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>	
Data aggregation methods	<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>	No high-grade cutting



	<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>	No aggregation used
<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>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	No drilling
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No drilling
	<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>	No drilling
<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 descriptions and diagrams 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 descriptions and diagrams 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>	Follow-up mapping and sampling to assess lithium mineralisation is planned along with drill testing
	<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>	Refer to figures in body of report.