

26 February 2016

Dear Shareholder,

**NON-RENOUNCEABLE RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 24 February 2016, Zenith Minerals Limited (**Company**) announced a capital raising of approximately \$1.5 million through a two stage process comprised of:

- (a) a placement to institutional and sophisticated investors to raise approximately \$400,000 (before costs); and
- (b) a non-renounceable rights issue of one (1) fully paid ordinary share (**New Share**) for every five (5) existing shares held as at 5:00pm on 2 March 2016 to shareholders with registered addresses in Australia, New Zealand, United Kingdom and Singapore to raise approximately \$1.1 million (before costs) (**Rights Issue Offer**). Subscribers to the Rights Issue Offer will also receive 1 free attaching option (**New Option**) for every two (2) New Shares subscribed for and issued under the Rights Issue Offer.

The Company has decided that it is unreasonable to make offers under the Rights Issue Offer to shareholders with a registered address outside Australia, New Zealand, United Kingdom or Singapore (**Non-Qualifying Foreign Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the New Shares and New Options under the Rights Issue Offer to those shareholders.

Unfortunately, since you are a Non-Qualifying Foreign Shareholder, no offer is being made to you and the prospectus prepared by the Company in relation to the Rights Issue Offer will not be sent to you.

This letter is not an offer to issue New Shares or New Options to you, nor an invitation for you to apply for New Shares or New Options.

You do not have to take any further action in relation to the Rights Issue Offer.

Should you have any questions regarding the Rights Issue Offer you may contact the Company Secretary on +61 8 9226 1110.

Yours faithfully,

Mr Michael Clifford

**DIRECTOR**

**ZENITH MINERALS LIMITED**