



Zenith  
Minerals  
Limited

ABN 96 119 397 938

30<sup>th</sup> November 2015

## Partner to Fund Initial Drilling at Kavaklitepe Gold Discovery in Turkey

- Reorganisation of Kavaklitepe gold project joint venture with Teck Anadolu Madencilik A.S. ("Teck"), a Turkish subsidiary of Teck Resources Limited taking over management under new option agreement;
- The Kavaklitepe gold discovery is an exciting project in highly prospective terrain, within Europe's largest gold producing country, Turkey;
- Continuous rock chip channel samples returned: 54m @ 3.33g/t gold and 21m @ 2.67g/t gold;
- Rock chip samples including: 28.2 g/t, 21.7 g/t, 6.7 g/t and 3.66 g/t gold;
- Three large high-order gold in soil anomalies with locally coincident geophysical chargeability anomalies (gold in soil results up to 6.05 g/t gold); and
- Operational licence approved, drill permits submitted with drilling planned in 2016.

Zenith Minerals Limited (ASX:ZNC) ("Zenith" or "the Company") is pleased to advise that Teck has executed a new option agreement with S2M2 Coal, a wholly owned subsidiary of Zenith whereby Teck may now earn a 70% interest in the Kavaklitepe gold project in Turkey by spending US\$700,000 in property expenditures including a minimum of 1500m of drilling. Following the initial option stage both companies can then continue to explore or develop the property by contributing their pro-rata costs or they may elect to dilute their interests according to a standard industry formula. If Zenith reduces its equity below 10% then the remaining interest may be compulsorily acquired by Teck in exchange for a 5% net profit interest royalty.

Should Teck not exercise its initial option to earn 70% equity then Zenith will own 100% of the project with Teck retaining a 2% net smelter royalty.

The new option deal with Teck alleviates Zenith's expenditure and cash payment burden required under the initial Turkish Agreement. It also provides a pathway forward to unlocking the potential of the Kavaklitepe gold project at low initial cost, at the same time as maintaining a significant interest in the project for Zenith shareholders.

**Commenting on the new agreement, Zenith's Chairman, Mike Joyce said,** "We are delighted to have signed a new option agreement with Teck over the Kavaklitepe gold project. Kavaklitepe is a very exciting new gold project which was only discovered in 2013, with outstanding early stage, high-grade, surface gold results. A minimum of 1500m of drilling required under the new option agreement will be an exciting test of the projects depth potential. We believe the new arrangement will leverage upon Teck's 30 year Turkish exploration experience and provide a pathway forward to unlocking the potential of Kavaklitepe, and at the same time giving Zenith an immediate interest in the project."

### Corporate Details

Issued Shares	128.6 m
Unlisted options	1.2 m
Mkt. Cap. (\$0.04)	A\$5.8m
Cash 30 <sup>th</sup> Sep15	A\$0.49M*
Debt	Nil

\*+ R&D Tax refund

### Directors

**Michael Clifford:**  
Managing Director

**Mike Joyce:**  
Non Exec Chairman

**Stan Macdonald:**  
Non Exec Director

**Julian Goldsworthy:**  
Non Exec Director

### Major Shareholders

HSBC Custod. Nom	8.4%
Nada Granich	6.2%
GDR PL	4.8%
Miquilini	4.6%
Citicorp Nominees	3.9%

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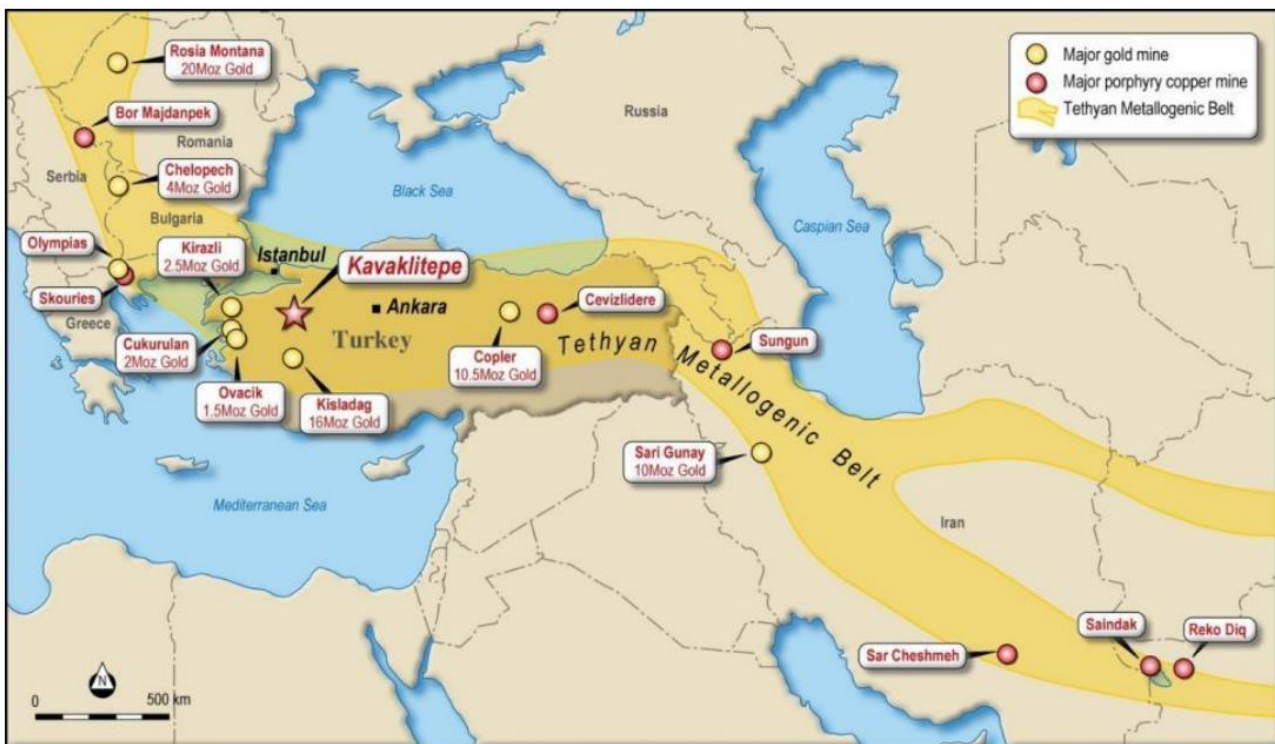


## Background on Kavaklitepe Project

Zenith's wholly owned subsidiary S2M2 Coal Pty Ltd previously announced that it had entered into an exclusive option to earn up to a 70% interest in the Kavaklitepe gold property ("Kavaklitepe" or the "Property") located in western Turkey (Figure 1) (see Zenith December 23, 2013 ASX release).

Columbus Copper announced on the 7<sup>th</sup> January 2015 the sale of the subsidiary that holds the Kavaklitepe property in Turkey to Teck. Under the Turkish Agreement, S2M2 Coal had the option to earn an initial 51% interest in the Property over three years by making a further US\$100,000 cash payment and completing US\$2,500,000 in cumulative exploration expenditures on the Property. If S2M2 had earned the initial 51% interest in the Property, it may then have elected to earn a further 19%, for 70% in total, by making an additional US\$500,000 payment and by completing a bankable feasibility study within a four year period. The Turkish Agreement has now been replaced by the option agreement with Teck, the subject of this ASX release.

Columbus Copper discovered mineralization at Kavaklitepe by following up a stream sediment anomaly to a stream bed outcrop that returned 5.2 grams per tonne ("g/t") gold. Subsequently a small trench in a nearby road cut returned 2.67 g/t gold over 21 metres of exposure. About 1.4 kilometres northwest from the discovery outcrop four samples from a gold bearing breccia zone returned 28.2 g/t, 21.7 g/t, 6.7 g/t and 3.66 g/t gold respectively (see Columbus Copper release March 1, 2013). Further rock sampling along a road bank in this zone confirmed the presence of high-grade gold mineralization returning 54.0 metres of continuous rock chips with an average grade of 3.33 g/t gold, including 21.5 metres grading 7.2 g/t gold.



**Figure 1: Kavaklitepe Project Location Map**

A total of 2,127 soil samples were also collected on the Property in 50 metre x 50 metre and 100 metre x 100 metre grids covering an area of approximately 11 square kilometres, of which 176 samples returned gold grades higher than 50 ppb, 112 - higher than 100 ppb and 40 - higher than 250 ppb with 9 of these samples containing more than 1000 ppb (1 g/t) gold. The soil sampling outlined a potentially mineralized zone measuring 850 metres by 250 metres and continuing for another 800 metres to the southwest. There are strong, coincident arsenic and antimony anomalies.



Successful IP geophysical survey trials by Zenith over two of the major gold-in-soil anomalies (Guney and Kuzey) identified strong chargeability anomalies beneath the gold in soil anomalies. Two survey configurations were tested (a grid of gradient array and single pole-dipole lines) both returning strong to moderate chargeable responses ( $>20\text{Mv/v}$ ). Beneath the Kuzey zone a strong chargeable IP geophysical anomaly was 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), while a second strong chargeable IP geophysical anomaly was identified beneath the Guney Zone (Figure 2). At Kuzey the chargeability anomaly lies directly beneath the 900m long (50ppb Au) gold in soil anomaly (maximum 6050ppb Au, 6.05 g/t Au) and can be detected in the survey data to a depth of at least 100m (Figure 3).

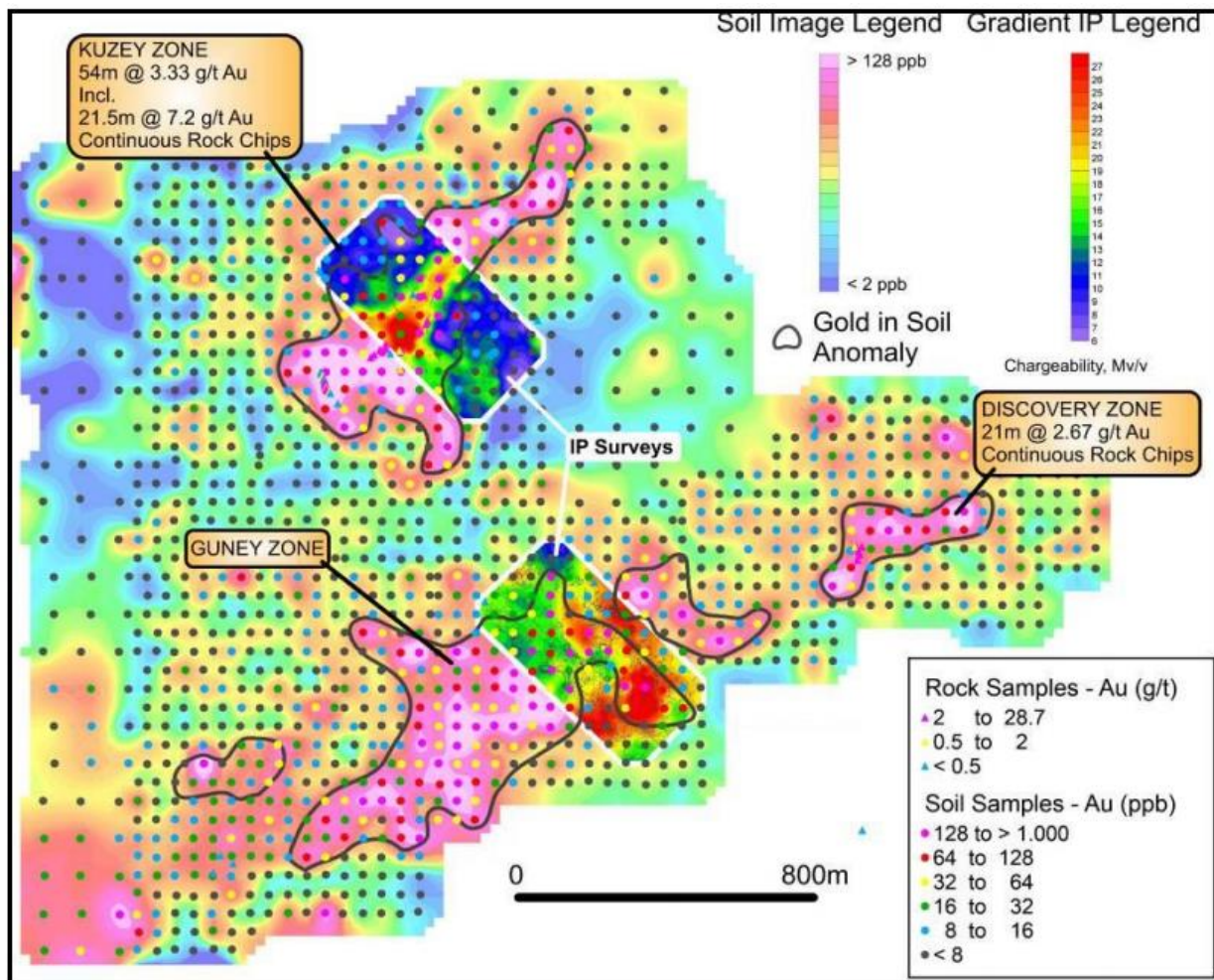


Figure 2: Plan Showing Kuzey Zone Gold in Soil Geochemical Anomaly Image and Rock Chip Sample Locations overlying IP Geophysical Survey Image of Chargeability (25m depth slice).



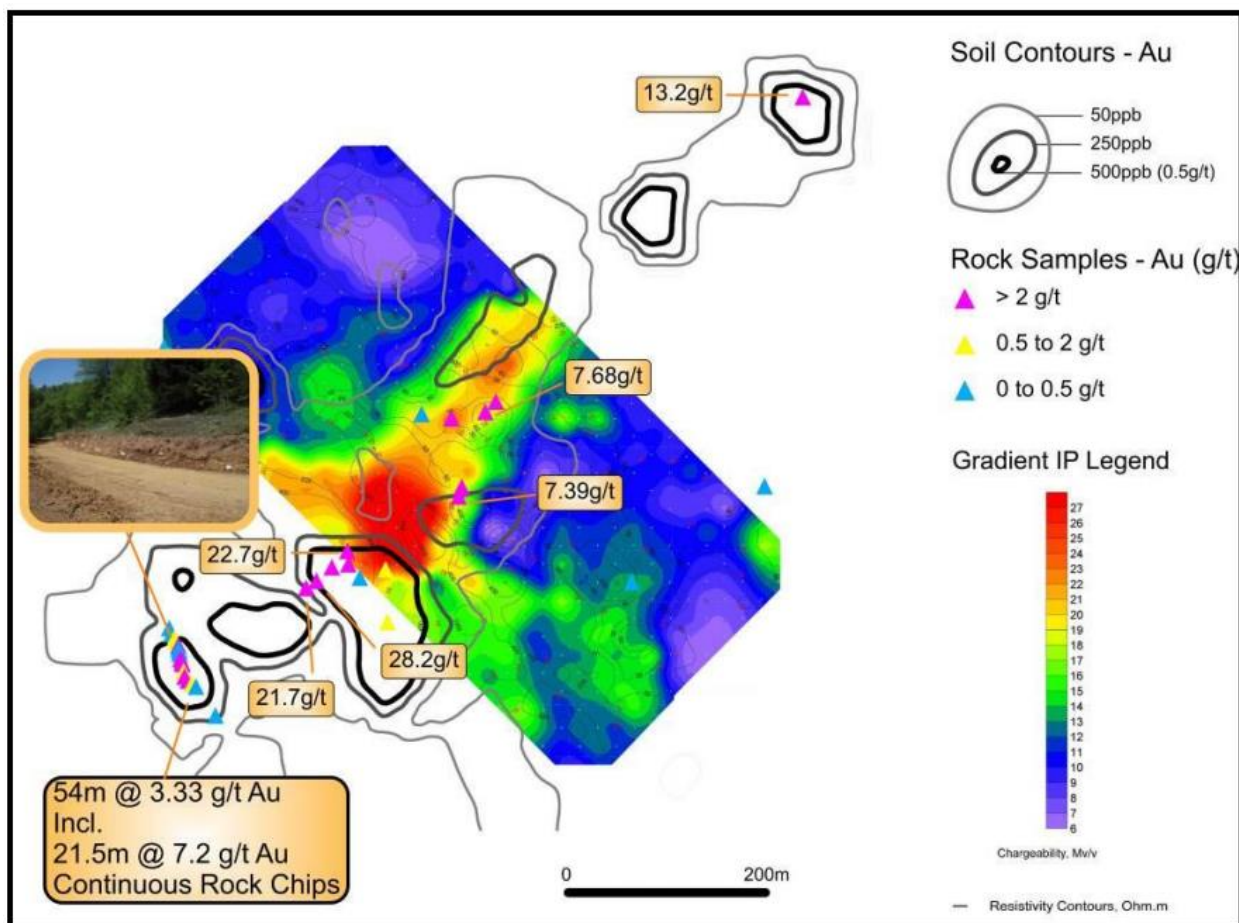


Figure 3: Plan Showing Kavaklitepe Project IP Geophysical Surveys (Images of chargeability at 25m.

### 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.

30<sup>th</sup> November 2015

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## **About Zenith Minerals Limited**

***Zenith is advancing its project portfolio of high-quality, gold and base metal projects whilst building a superior project base of high-quality advanced exploration assets:***

### **Kavaklitepe Gold Project, Turkey (ZNC 100%, Teck right to earn 70%)**

- Recent (2013) grass roots gold discovery in Tethyan Belt – (“elephant” terrain);
- Large, virtually drill-ready, high order gold soil / IP anomaly >1km strike;
- Rock chip traverses to 54m @ 3.33g/t gold, including 21.5m @ 7.2 g/t gold;
- Trenching and drilling in 2016.

### **Develin Creek Copper-Zinc-Silver-Gold, QLD (ZNC initial 51%, option for 100%)**

- 3 known VHMS massive sulphide deposits with JORC resources, 50km of strike of host volcanic sequence
- 2011 drilling outside resource; 13.2 metres @ 3.3% copper, 4.0% zinc, 30g/t silver and 0.4g/t gold;
- Drilling to extend known deposits, geophysics, geochemistry to detect new targets.

### **Mt Minnie Gold Project, WA (ZNC 100%)**

- High-grade gold in quartz veins, rock samples 21.5 g/t Au, 17.65 g/t Au and 11.45g/t Au;
- Trenching or drilling planned to test size of system.

### **Earaheedy Manganese Project, WA (ZNC 100%)**

- New manganese province discovered by ZNC, potential DSO drill intersections (+40%Mn);
- Retaining exposure to resources and key prospects.

### **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 project

**Other** - Evaluating new project opportunities (acquiring at bottom of the cycle)