



Zenith
Minerals
Limited

ABN 96 119 397 938

5th December 2017

Drilling Commenced to Test Split Rocks Gold Targets

Drilling has commenced to test two gold auger soil anomalies on recently granted, 100% owned Split Rocks project in Western Australia:

- **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.

Zenith Minerals Limited (“Zenith” or “the Company”) is pleased to advise that a 3600m drilling program to test the Mawson and Casey gold targets has commenced at the 100% owned Split Rocks project in Western Australia.

Zenith’s Split Rocks exploration licences are located approximately 10km northwest of Kidman Resources Limited (ASX:KDR) Earl Grey lithium pegmatite deposit containing 128Mt @ 1.44% Li₂O (KDR ASX Release 5th Dec 2016) and 15km northwest of the Bounty Gold mine (Figure 1). Zenith announced encouraging lithium geochemical results from its Split Rocks project on 4th November.

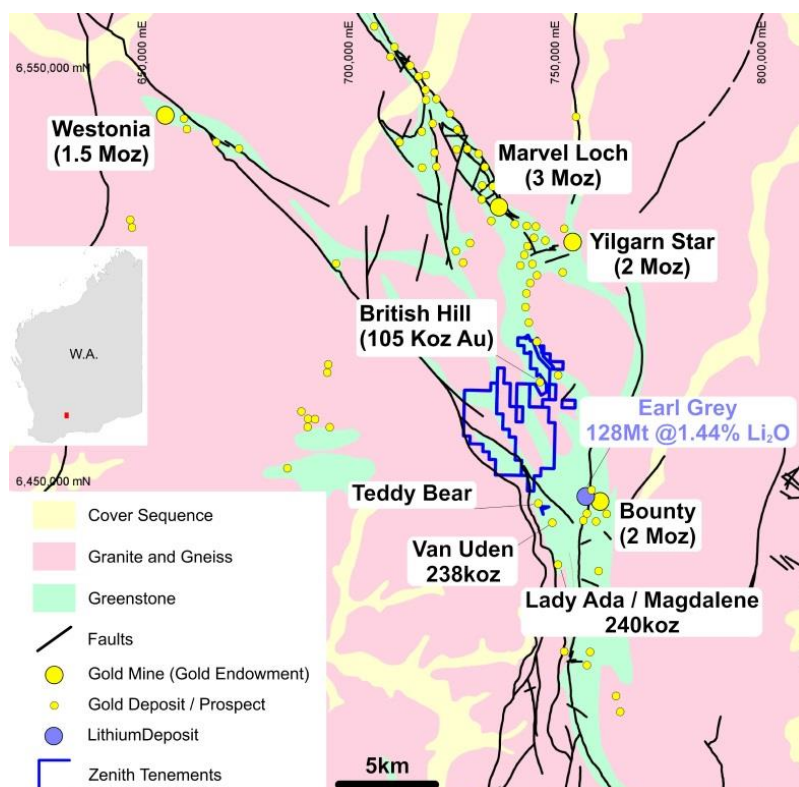


Figure 1: Split Rocks Project Tenure and Regional Gold Endowment

Corporate Details

ASX: ZNC

Issued Shares (ZNC) 193 M

Listed options (ZNCO) 20M

Unlisted options 3.5M

Mkt. Cap. (\$0.12) A\$23M

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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The Southern Cross-Forrestania region is also host to several gold deposits with gold endowment (resources plus past production) exceeding 1 million ounces, including: Bounty Gold Mine, Marvel Loch Gold Mine, Yilgarn Star Gold Mine and the Westonia-Edna May Gold Mine.



The Van Uden Shear Zone can be traced for over 15km within Zenith's current tenure. To the south of Zenith's tenure this shear trend hosts the Lady Ada and Lady Magdalene gold deposits (Mineral Resource of 5.9 Mt at 1.25 g/t for 240,000 ounces of gold) being explored by ASX:CLZ as well as the Teddy Bear and Van Uden Group gold deposits held by ASX:KDR (Figure 2).

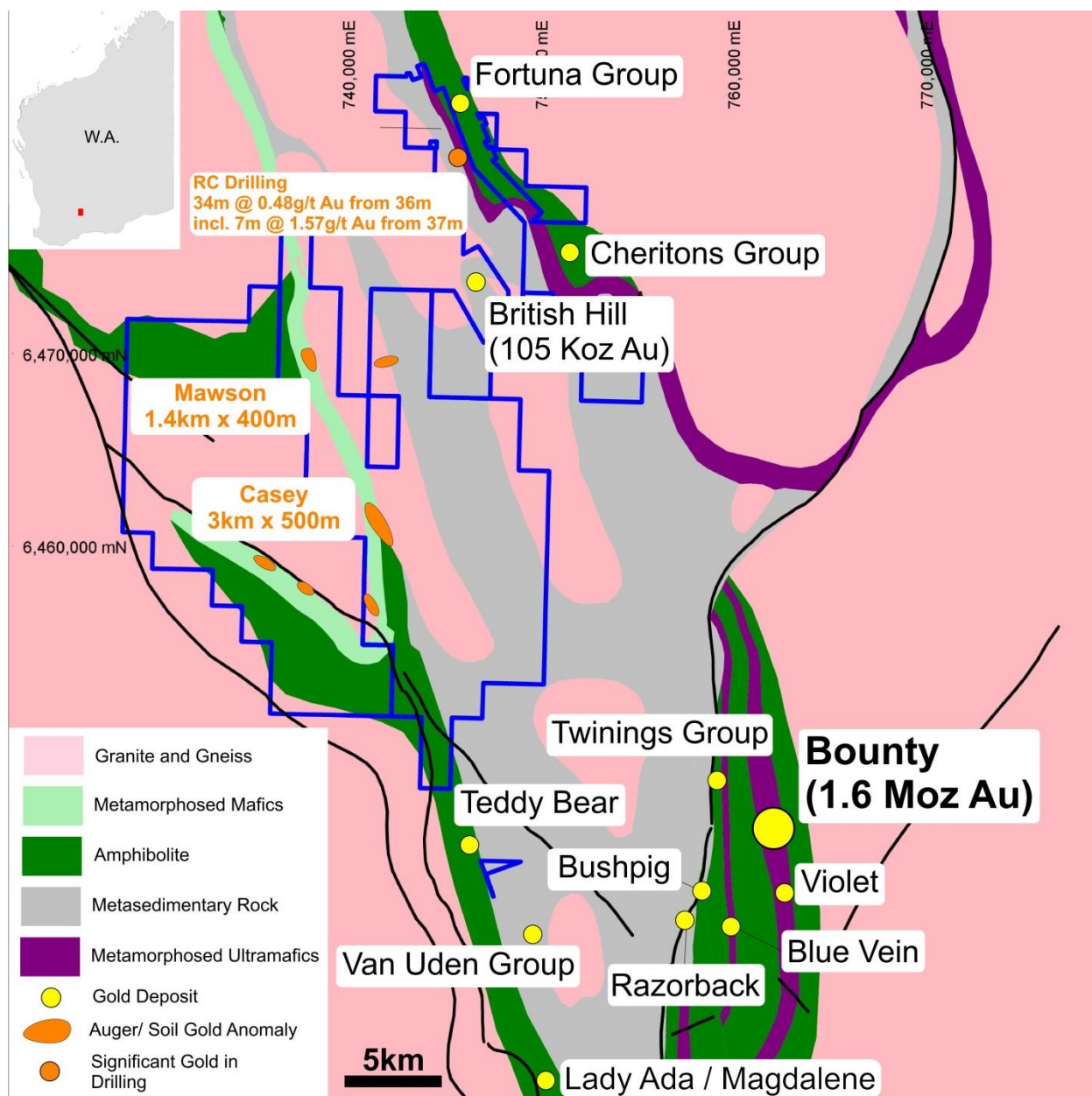


Figure 2: Split Rocks Project Tenure and Gold Anomalies

Systematic surface geochemical sampling by Zenith confirmed and extended two high-order gold auger anomalies Mawson and Casey at the Split Rocks project (ASX Release 17th September 2017).

The northern gold auger anomaly, **Mawson** is 1.4km long and has an average width of 400m (>10ppb Au) with individual soil results up to 1g/t Au, coincident with a major fault jog interpreted from aeromagnetic data (Figures 2, 3 & 4). The high-gold zone at Mawson has a coincident high-order arsenic anomaly (individual values to 210 ppm As) a trace element commonly associated with gold deposits hosted in amphibolite facies metamorphic rocks such as those found within the Split Rocks region.

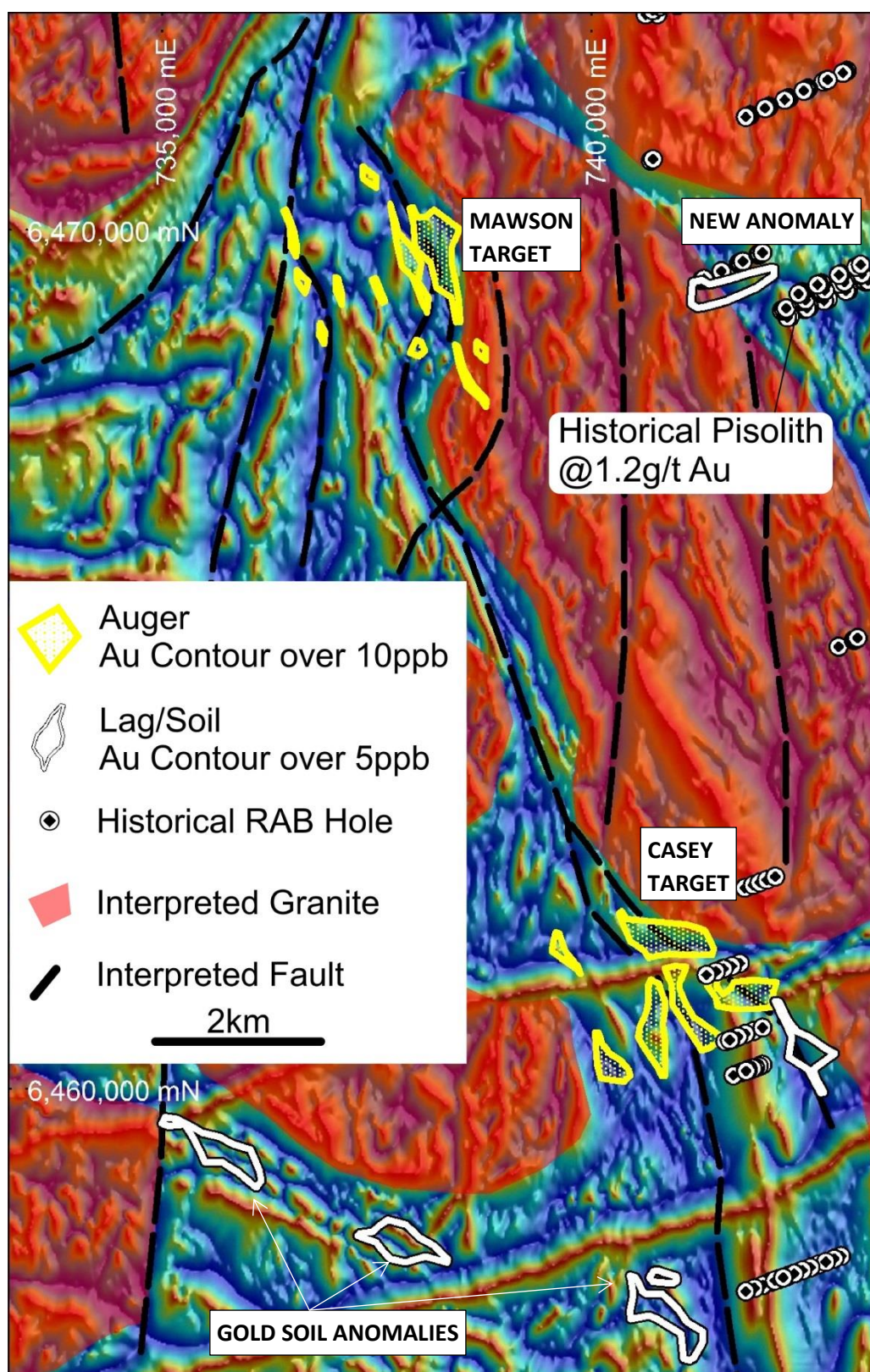


Figure 3: Split Rocks Geochemical Targets over Aeromagnetic Image

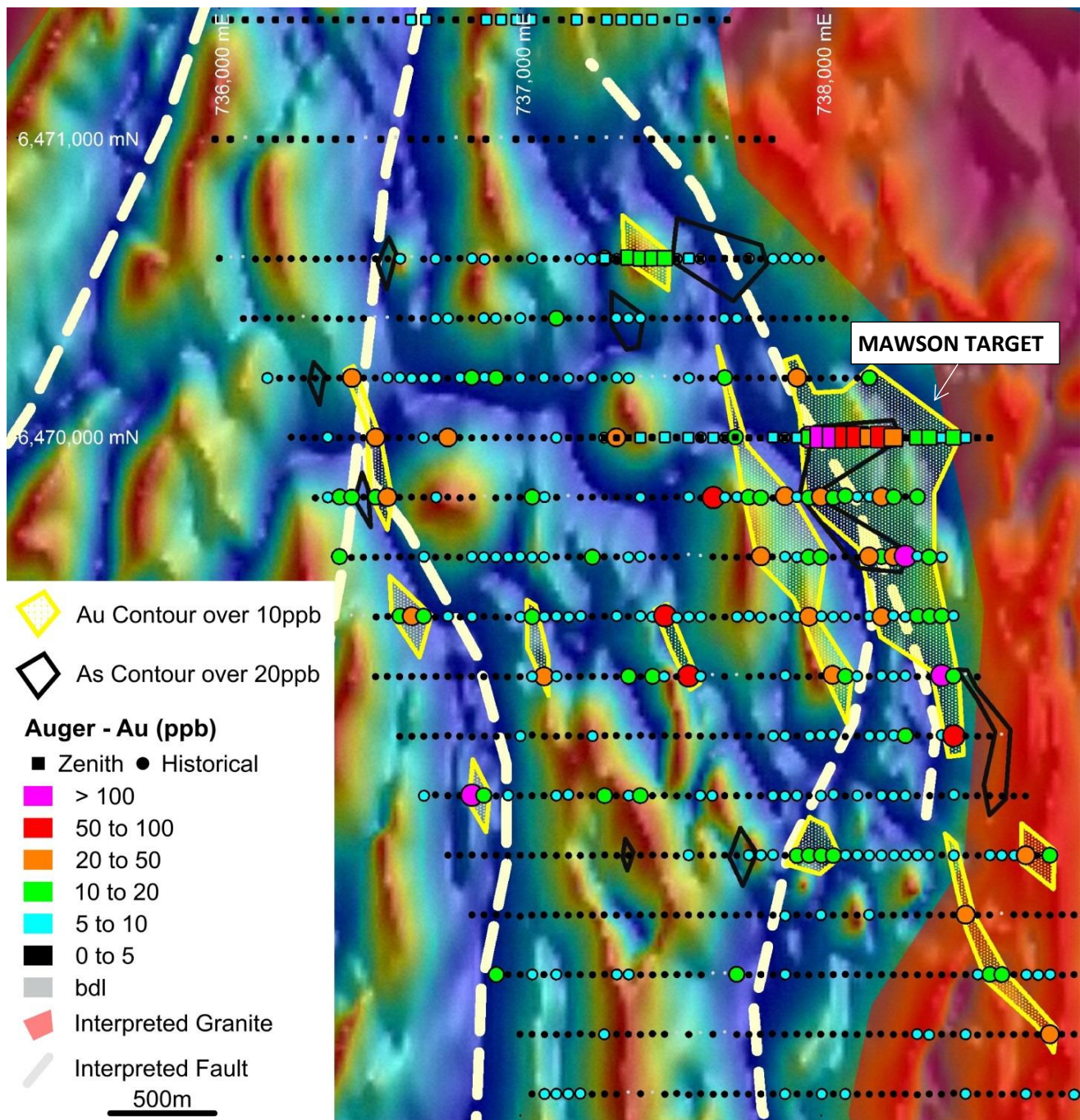


Figure 4: Mawson Target Gold – Arsenic Anomaly over Aeromagnetic Image

The second gold auger anomaly located 8 km to the south, now named **Casey** has a length of 3km and on average is 500m wide > 10 ppb Au with soil results up to 0.12g/t Au (Figures 2, 3 & 5). As with the Mawson anomaly the gold anomalous zone at Casey also has a coincident high-order arsenic anomaly (individual values to 266 ppm As). The anomaly is located along a flexure in the major shear zone adjacent to the south western end of a large granite body.

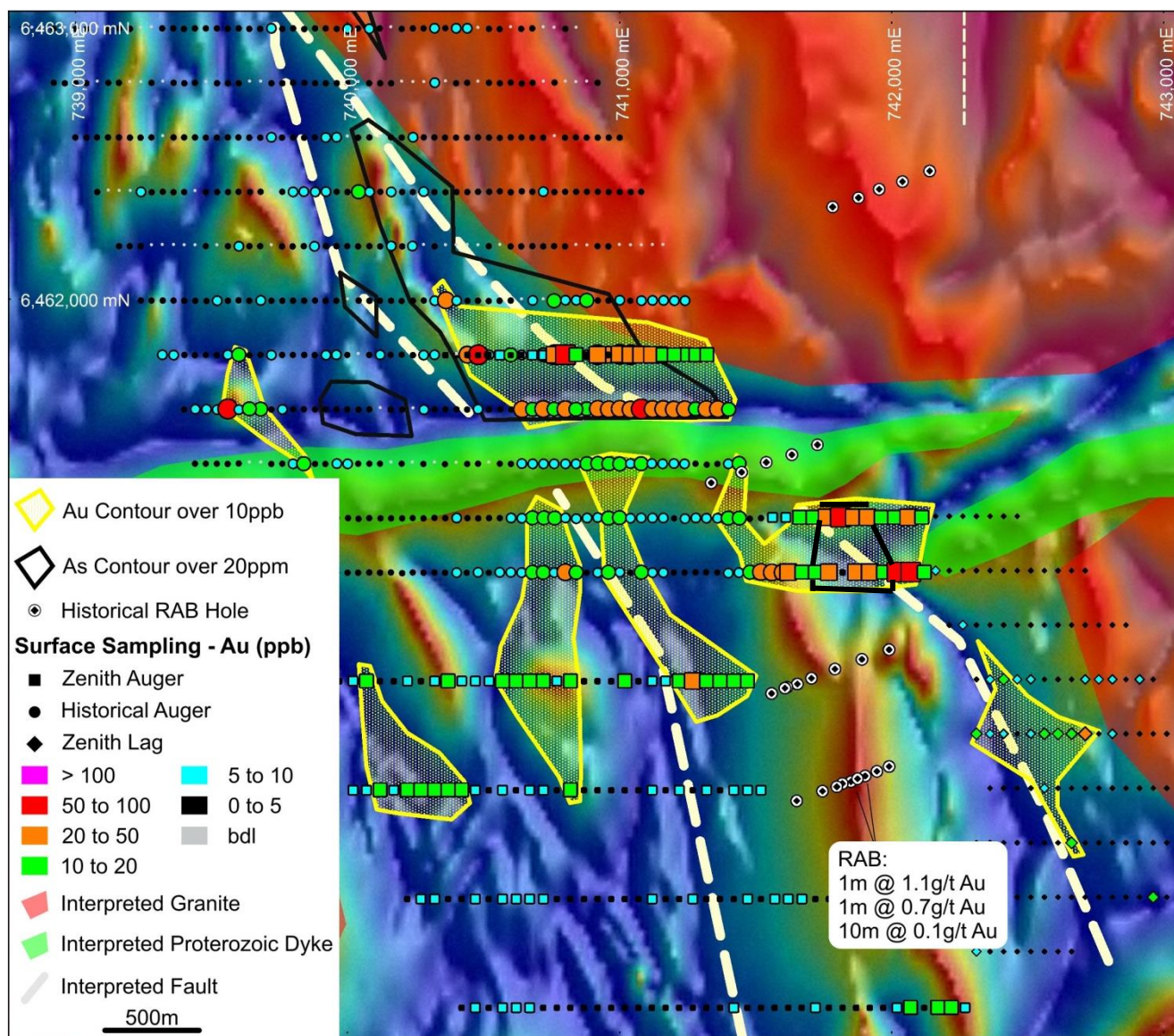


Figure 5: Casey Target Gold – Arsenic Anomaly over Aeromagnetic Image

Mawson and Casey are significant gold-arsenic auger anomalies located in favourable structural settings that are along strike of known gold deposits. Both anomalies will be tested in this December drill program.

Background on the Split Rocks Lithium-Gold Project Western Australia

Gold Potential

There are two main gold trends in the Forresteria 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. 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 anomalies lie along this western trend within an area of dense scrub vegetation that has historically limited access and resulted in historically lesser exploration activity.



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.

Lithium Potential

As detailed in Zenith's ASX release on the 14th September 2017 first pass surface 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. The Company has now analysed those surface sample gold assay pulps using a portable XRF unit to screen for lithium indicator/associated elements including rubidium and tantalum, which are usually strongly enriched in lithium bearing pegmatites, and can be analysed quantitatively by portable XRF (unfortunately lithium and gold cannot be) so these elements can be used as a guide to defining areas for further lithium exploration / prospective for lithium bearing pegmatites. This new work by Zenith has defined widespread, coherent zones of anomalous tantalum and rubidium surrounding granite bodies that may be potential source rocks for lithium bearing pegmatites.

Sample pulps from these anomalous zones were re-submitted to the laboratory for lithium analysis returning encouraging results. Assay results from additional sample pulps have upgraded and better defined several lithium anomalous zones, which will be the target of initial drilling for lithium.

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.

5th 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