

ZENITH MINERALS LIMITED

ABN 96 119 397 938

NON-RENOUNCEABLE ENTITLEMENT OFFER

For a non-renounceable pro rata offer to Eligible Shareholders of up to approximately 35,519,116 New Shares at an issue price of \$0.055 per New Share on the basis of 1 New Share for every 6 Existing Shares held to raise approximately \$1.95 million before issue costs.

Important Notice

If you are an Eligible Shareholder, this is an important document that requires your immediate attention.

This Offer Document is not a prospectus and it does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document.

This Offer Document should be read in its entirety before deciding whether to apply for the New Shares. If after reading this Offer Document you have any questions about the New Shares being offered under this Offer Document, then you should consult your professional adviser.

The New Shares offered by this Offer Document should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notes

This Offer Document is dated 5 November 2019. The information contained in this Offer Document is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see Section 4 of this Offer Document) that could affect the performance of the Company before making an investment decision.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. In broad terms, section 708AA of the Corporations Act provides that rights issues by certain entities do not require disclosure to investors under a prospectus or other disclosure document. Accordingly, this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required under Australian law or any other law to be disclosed in a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to accept the Entitlement Offer. Announcements made by the Company to ASX are available from the website of the ASX. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Before applying for New Shares you should consider whether such an investment, and the information contained in this Offer Document, is appropriate to your particular needs, and considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances. You should consult your professional adviser without delay.

By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Entitlement Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document. Cooling-off rights do not apply to an application for New Shares and you cannot withdraw your application once it has been accepted.

Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document.

The Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, Singapore, Switzerland or the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia, New Zealand, Singapore, Switzerland or the United Kingdom. This Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to Shareholders with a registered address in New Zealand, Singapore, Switzerland or the United Kingdom, to the extent permitted below.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and

will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Entitlement Offer and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, *Part XIII of the Securities and Futures Act, Chapter 289 of Singapore* (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, OR TO US PERSONS

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Future performance and forward looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Investors should note that past share price performance of the Company provides no guidance to its future share price performance.

Any forward looking statements in this Offer Document are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Document. Investors should specifically refer to the "Key Risks" in Section 4 of this Offer Document. That Section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Offer Document.

Disclaimer

This Offer Document has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Offer Document or takes responsibility for, or makes any statements, representations or undertakings in, this Offer Document. The ASX does not take any responsibility for the contents of this Offer Document.

No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having

been authorised by the Company in connection with this Offer Document.

Currency

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

Time

All references to time in this Offer Document are references to Perth, Australia time, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in Section 6 of this Offer Document.

Offer Document intended to be read in conjunction with publicly available information

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest, including the announcements made by the Company on 28 October 2019.

All announcements made by the Company are available from its website www.zenithminerals.com.au or the ASX website www.asx.com.au.

Privacy

The Company and the Share Registry have already collected certain personal information from you as a Shareholder. If you complete an Application Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Enquiries

If, after reading this document, you have any questions about the Entitlement Offer, please consult your legal, financial, taxation or other professional adviser.

For further information on how to apply, contact the Share Registry by calling from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200 between 8.30am and 5.30pm (AEDT), Monday to Friday during the Offer Period.

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CORPORATE DIRECTORY

Directors

Rodney Michael Joyce (Non-Executive Chairman)
Michael Clifford (Managing Director)
Stanley Macdonald (Non-Executive Director)
Julian Goldsworthy (Non-Executive Director)
Graham Riley (Non-Executive Director)

Company Secretary

Melinda Nelmes

Registered Office

Zenith Minerals Limited
2nd Floor, 33 Ord Street
West Perth WA 6005

Telephone: +61 8 9226 1110
Email: info@zenithminerals.com.au
Website: www.zenithminerals.com.au

Share Registry*

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

Auditors*

PKF Perth
Level 4, 35 Havelock Street
West Perth WA 6005

ASX Code: ZNC

ABN: 96 119 397 938

Legal adviser

Allion Partners Pty Ltd
Level 9, 863 Hay Street
Perth WA 6000

* *This entity has not been involved in the preparation of this Offer Document. Its name is included for information purposes only.*

LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Zenith Minerals Limited (**Zenith** or **Company**), I invite you to participate in the Company's 1 for 6 non-renounceable entitlement offer at an offer price of \$0.055 (5.5 cents) per New Share (**Entitlement Offer**).

The Entitlement Offer will allow you to purchase 1 New Share at the Offer Price of 5.5 cents per New Share for every 6 existing Zenith ordinary shares (**Existing Shares**) you owned at 5.00pm (AEDT) on Thursday, 31 October 2019 (**Record Date**).

The Offer Price of \$0.055 (5.5 cents) per New Share represents a discount of:

- (a) 13% to the last closing price (6.3 cents) before the announcement of the Entitlement Offer;
- (b) 17% to the 10-day VWAP (6.63 cents) prior to the announcement of the Entitlement Offer; and
- (c) 17% to the 30-day VWAP (6.65 cents) prior to the announcement of the Entitlement Offer.

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares of the Company already on issue.

Eligible Shareholders who wish to take up their entitlement under the Entitlement Offer in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer¹. Please refer to Section 3.3 of this Offer Document for further details. The Board reserves the right to allocate New Shares under the Shortfall Offer in its absolute discretion.

The proceeds of the Entitlement Offer will be used to provide funding for exploration follow up to recent strong gold results at the Company's 100% owned Split Rocks project in the Forrestania belt, and Red Mountain in Queensland, along with continued work on lithium targets at Split Rocks, Waratah Well, progressing our new wholly owned REE project in Wyoming, and general working capital. In conjunction with partner funded exploration, particularly on overseas gold and lithium projects, additional funding through this Entitlement Offer should see shareholders exposed to considerable high-impact project activity in next 12 months.

Your Entitlement under the Entitlement Offer is set out in the accompanying Application Form. The Closing Date for acceptances and payment is 5.00pm (AEDT) on Tuesday, 19 November 2019 (unless extended).

To participate, you need to ensure that your completed Application Form, together with application monies (**Application Monies**), is received by no later than the 5.00pm (AEDT) on the Closing Date OR that you have paid your Application Monies via BPAY® pursuant to the instructions that are set out on the Application Form by no later than 5.00pm (AEDT) on the Closing Date.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. You should also refer to the "Key Risk Factors" included in Section 4.

For further information on how to apply, call the Share Registry (from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200) between 8.30am and 5.30pm (AEDT), Monday to Friday during the Entitlement Offer Period.

On behalf of the Board I am pleased to recommend the Entitlement Offer to you and thank you for your continued support for Zenith.

Michael Clifford
Managing Director
Zenith Minerals Limited

¹ Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

SUMMARY OF CAPITAL RAISING

Offer Ratio	1 New Share for every 6 Existing Shares held on the Record Date
Offer Price	\$0.055 (5.5 cents) per New Share
Size	Approximately 35,519,116 New Shares
Gross proceeds	Approximately \$1.95 million (before costs)

KEY DATES

Event	Date
Announcement of Entitlement Offer and Cleansing Statement	Monday, 28 October 2019
Company to send notice to option holders	Monday, 28 October 2019
Notice to Shareholders including information required by Appendix 3B	Tuesday, 29 October 2019
Ex-Date for Entitlement Offer	Wednesday, 30 October 2019
Record Date to determine Entitlement to New Shares (5.00pm AEDT)	Thursday, 31 October 2019
Despatch of Offer Document and Application Form and announcement that dispatch completed.	Tuesday, 5 November 2019
Lodgement of the Offer Document with ASX	Tuesday, 5 November 2019
Entitlement Offer opens	Tuesday, 5 November 2019
Entitlement Offer closes (5.00pm AEDT)	Tuesday, 19 November 2019
New Shares under Entitlement Offer quoted on a deferred settlement basis	Wednesday, 20 November 2019
Announcement of Entitlement Offer shortfall	Thursday, 21 November 2019
Issue of New Shares under Entitlement Offer	Monday, 25 November 2019
Despatch date of holding statements	Monday, 25 November 2019
Trading of New Shares issued under the Entitlement Offer on a normal basis	Tuesday, 26 November 2019

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates. In particular, Zenith reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

1 DETAILS OF THE OFFER

1.1 Entitlement Offer

The Entitlement Offer is an offer of up to approximately 35,519,116 New Shares at the Offer Price of \$0.055 per New Share to raise up to approximately \$1.95 million before issue costs.

All Eligible Shareholders are entitled to subscribe for 1 New Share for every 6 Existing Shares held at 5.00pm (AEDT) on Thursday, 31 October 2019 (**Record Date**). New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Application Form.

Eligible Shareholders who wish to take up their Entitlement in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer². To participate in the Shortfall Offer Eligible Shareholders must apply at the same time as they apply for their Entitlements. Applications under the Shortfall Offer will only be satisfied to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms and conditions that are outlined in Section 1.7. The Board reserves the right to allocate New Shares under the Shortfall Offer in their absolute discretion.

Certain terms and abbreviations in this Offer Document are defined in the glossary of terms in Section 6.

1.2 No Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

1.3 Underwriting

The Offer is not underwritten.

1.4 Entitlement to participate in the Entitlement Offer

Eligible Shareholders who are on the Company's Share Register at 5.00pm (AEDT) on the Record Date are eligible to participate in the Entitlement Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

An Application Form setting out your Entitlement to New Shares accompanies this Offer Document.

1.5 Acceptances

This Offer may be accepted in whole or in part prior to 5.00pm (AEDT) on Tuesday, 19 November 2019 subject to the rights of the Company to extend the Entitlement Offer Period.

Instructions for accepting your Entitlement are set out in Section 3 and on the Application Form which accompanies this Offer Document.

1.6 No Trading of Entitlements

The Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Shareholders to subscribe for New Shares are not transferable and there will be no trading of Entitlements on ASX. Eligible Shareholders who choose not to take up their Entitlements will receive no benefit and their shareholding in the Company will be diluted as a result.

1.7 Shortfall Offer

ASX Listing Rule 7.11.4 and section 708AA(13)(a) of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) permit the Company to make an additional offer of the New Shares that may be comprised in any Shortfall.

Accordingly, Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer (**Shortfall Offer**).

² Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months from the closing date of the Entitlement Offer.

It is a condition of participating in the Shortfall Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Entitlement Offer.

In addition:

- (a) the Shortfall Offer may be made available to third party investors who the Company invites to participate in the Shortfall Offer in addition to Eligible Shareholders;
- (b) there is no guarantee that any Application in the Shortfall Offer will be successful and the Directors reserve the right to allocate and satisfy Applications received under the Shortfall Offer at their sole discretion; and
- (c) the issue price of New Shares under the Shortfall Offer is the same price as the New Shares offered under the Entitlement Offer.

If you are an Eligible Shareholder and wish to subscribe for New Shares in addition to your Entitlement then you should nominate the maximum number of New Shares you wish to subscribe for on the Application Form and make corresponding payment for your full Entitlement plus the additional New Shares. Investors who the Company invite to participate in the Shortfall Offer will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

The Directors reserve their right to allot and issue New Shares under the Shortfall Offer at their discretion, having regard to the circumstances as at the close of the Entitlement Offer. Any scale back of applications for New Shares under the Shortfall Offer will be at Zenith's discretion and its decision on the number of New Shares to be allocated to Eligible Shareholders will be final. No New Shares will be issued under the Shortfall Offer to a Shareholder which will result in them increasing their voting power in Zenith above 20%. The Company and its advisers disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion to the maximum extent permitted by law.

The practical effect of the Shortfall Offer is that an Eligible Shareholder can potentially increase its relevant interest in Zenith, but no Eligible Shareholder can increase its relevant interest to more than 20% by way of application for additional New Shares under the Shortfall Offer.

It is an express term of the Entitlement Offer that applicants for additional New Shares under the Shortfall Offer will be bound to accept a lesser number of additional New Shares allocated to them than applied for, if so allocated.

Persons who are unsuccessful in their Application under the Shortfall Offer or whose Application is only part accepted will have their excess Application Monies returned by cheque within five days of the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by Zenith.

1.8 Details of substantial holders

Based on available information as at the date of this Offer Document, the persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial holder	Holder's votes	Voting power (percent)
HSBC Custody Nominees Australia Ltd	28,514,139	13.38%
JP Morgan Nominees Australia Pty Ltd	14,280,264	6.70%
Nada Granich	11,471,489	5.38%

1.9 Directors' interests

Each Director's interest (both direct and indirect) in the securities of the Company as at the date of this Offer Document and their Entitlement is detailed in the table below.

Director	Shares	Options	Entitlement
Rodney Michael Joyce	11,471,489	Nil	1,911,915
Michael Clifford	2,457,876	2,350,000 ¹	409,646
Stanley Macdonald	4,774,346	Nil	795,725
Julian Goldsworthy	2,492,346	Nil	415,391

Director	Shares	Options	Entitlement
Graham Riley	7,995,000	Nil	1,332,500

Note:

1. The Company is seeking shareholder approval at its annual general meeting to be held on 20 November 2019 for the issue of 2,500,000 unlisted options on the terms and conditions set out in the notice to shareholders lodged with ASX on 7 October 2019.

Each of the Directors have indicated their intention to participate in the Entitlement Offer and encourage you to carefully consider this opportunity to increase your holding through this discounted offer with no brokerage costs.

1.10 Allotment and Application Money

Application Money will be held in a subscription account on trust until allotment of the New Shares. If the Application Money is refundable, it will be refunded as soon as reasonably practicable unless the amount is less than \$2, in which case it will be retained by the Company or donated to a charity or charities nominated by the Company. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 5.00pm (AEDT) on Monday, 25 November 2019. Statements of holding of New Shares will be mailed after allotment occurs.

1.11 Rights and Liabilities attaching to the New Shares

The New Shares will, once issued, rank equally with Existing Shares. The rights and liabilities attaching to New Shares are set out in Zenith's constitution.

1.12 ASX Quotation

Application for admission of the New Shares to official quotation on ASX has been made.

Subject to approval being granted by ASX, it is expected that quotation and trading of New Shares will commence on a deferred settlement basis on Wednesday, 20 November 2019.

The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.13 Issue Outside Eligible Jurisdictions

This Offer Document and accompanying Application Form does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to make the Entitlement Offer. No action has been taken to register or qualify the Shares or the Entitlement Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia, New Zealand, Singapore, Switzerland or the United Kingdom.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

1.14 Ineligible Shareholders

The Entitlement Offer is only being extended to Eligible Shareholders in Australia, New Zealand, Singapore, Switzerland or the United Kingdom because of the small number of and cost of extending the Offer to Shareholders other than Eligible Shareholders (**Ineligible Shareholders**). Accordingly, Ineligible Shareholders are not eligible to participate in the Entitlement Offer and the Offer Document will not be sent to them.

Entitlements that Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer will form part of the Shortfall Offer, details of which are described in Section 1.7.

Recipients may not send or otherwise distribute this Offer Document or the Application Form to any person outside Australia, New Zealand, Singapore, Switzerland or the United Kingdom (other than to Eligible Shareholders).

It is the responsibility of any Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares under this Entitlement Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

1.15 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under the Entitlement Offer, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under the Entitlement Offer and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.16 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.17 Withdrawal

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.18 Cleansing Statement

The Company lodged a Cleansing Statement with ASX on Monday, 28 October 2019. The Cleansing Statement may be reviewed on the websites of the Company and ASX.

1.19 Enquiries

Any queries regarding the Entitlement Offer should be directed to the Share Registry (from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200) between 8.30am and 5.30pm (AEDT), Monday to Friday during the Offer Period.

You can also contact your stockbroker or professional adviser with any queries in relation to the Entitlement Offer.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Entitlement Offer is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

2. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

2.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to approximately \$1.95 million (before costs). As at 30 September 2019, the Company had a cash reserve of approximately \$0.64 million.

The Directors intend to apply the proceeds from the Entitlement Offer together with the existing cash reserves towards the following in accordance with the table set out below:

Source of funds	Amount (\$m)	% of funds
Cash reserve (as at 30 September 2019)	0.64	24.7
Gross proceeds from the Entitlement Offer	1.95	75.3
TOTAL	2.59	100%
Use of funds ^{1, 2}	Amount (\$m)	
Exploration and development of Australian gold, lithium and base metal projects	1.6	61.8
Exploration of overseas projects	0.25	9.7
General working capital ³	0.7	27
Expenses of the Entitlement Offer	0.04	1.5
ESTIMATED TOTAL	2.59	100%

Notes:

1. In the event that the Entitlement Offer is not fully subscribed, the funds raised will be allocated firstly towards the expenses of the Entitlement Offer and then proportionally between the remaining items.
2. In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds in the best interests of the Company.
3. General working capital includes but is not limited to corporate administration and operating costs and may be applied to staff salaries, directors' fees, office costs, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

2.2 Effect of the Entitlement Offer on the Company's Financial Position

The effect of the Entitlement Offer (on the assumption of the Entitlement Offer being fully subscribed including under the Shortfall Offer) will be that:

- (a) cash reserves will initially increase by up to approximately \$1.9 million (after payment of costs of the Entitlement Offer); and
- (b) the number of Shares on issue will increase from 213,114,695 to up to 248,633,811.

2.3 Effect of the Entitlement Offer on Control

The Entitlement Offer is structured as a pro rata issue and if all Eligible Shareholders take up their Entitlements, the Entitlement Offer will have no effect on the control of the Company.

If Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interests of Eligible Shareholders that only take up part of their entitlement will also be diluted but to a lesser extent. The proportional interests of Ineligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

In addition, the Company will only issue New Shares to an applicant under the Shortfall Offer if the Directors are satisfied, in their discretion, that the issue of the New Shares will not result in a person's voting power in the Company increasing above 20%.

2.4 Effect on Capital Structure

A table of changes in the capital structure of the Company as a consequence of the Entitlement Offer is set out below (assuming the Entitlement Offer is fully subscribed):

Shares	Number
Existing Shares as at the date of this Offer Document	213,114,695
New Shares issued pursuant to the Entitlement Offer	35 519,116
Total issued Shares	248,633,811
Unlisted Options	Number
Existing unlisted Options as at the date of this Offer Document ¹	4,150,000
Total issued listed Options²	4,150,000

Note:

1. Consisting of 2,500,000 unlisted options exercisable at \$0.161 expiring on 29 November 2019 and 1,650,000 unlisted options exercisable at \$0.18 expiring on 28 September 2021. The existing convertible securities do not carry an entitlement to participate in the Entitlement Offer.

2. The Company is seeking shareholder approval at its annual general meeting to be held on 20 November 2019 for the issue of 2,500,000 unlisted options on the terms and conditions set out in the notice to shareholders lodged with ASX on 7 October 2019.

3. HOW TO APPLY

3.1 What you may do

The number of New Shares to which you are entitled to subscribe for is shown on the accompanying Application Form.

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer Section 3.2);
- apply for additional New Shares in the Shortfall Offer (refer Section 3.3);
- subscribe for part of your Entitlement (refer Section 3.4); or
- allow all of your Entitlement to lapse (refer Section 3.5).

3.2 To subscribe for all of your Entitlement

If you wish to subscribe for **all** of your Entitlement and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Shares you are entitled to subscribe for;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by **5.00pm (AEDT) on Tuesday, 19 November 2019**.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **all** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than **5.00pm (AEDT) on Tuesday, 19 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Cash will not be accepted and no receipts will be issued.

3.3 To apply for additional New Shares in the Shortfall Offer

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares regardless of the size of their present holding, under the Shortfall Offer by completing the relevant section on the Application Form. You may only apply for additional New Shares under the Shortfall Offer if you decide to take up all of your Entitlements under the Entitlement Offer.

A single cheque or bank draft should be used for the Application Money for your Entitlement and the number of additional New Shares you wish to apply for as stated on the Application Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than **5.00pm (AEDT) on Tuesday, 19 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Refer to Section 1.7 for further information in respect of the Shortfall Offer.

3.4 To subscribe for part of your Entitlement

If you wish to subscribe for **part** of your Entitlement and reject the balance and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form indicating the number of New Shares you wish to take up. This will be less than your Entitlement as specified in the Application Form;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by **5.00pm (AEDT) on Tuesday, 19 November 2019**.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **part** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than **5.00pm (AEDT) on Tuesday, 19 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

3.5 To allow your Entitlement to lapse

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement may be dealt with in accordance with Section 1.7.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

3.6 Payment

If you wish to participate in the Entitlement Offer, you need to do one of the following:

Option 1: Pay by Cheque

Please complete the enclosed Application Form and return it with your cheque made payable to “Zenith Minerals Limited”, drawn on an Australian financial institution and crossed “Not Negotiable” in an envelope to:

By hand	By post
Zenith Minerals Limited C/- Security Transfer Australia Pty Ltd 770 Canning Highway Applecross WA 6153	Zenith Minerals Limited C/- Security Transfer Australia Pty Ltd PO Box 52 Collins Street West VIC 8007

Your completed Application Form and cheque must be received by the Share Registry prior to the close of the Entitlement Offer at **5.00pm (AEDT) on Tuesday, 19 November 2019**. Shareholders will need to apply in Australian dollars and affix the appropriate postage to the envelope.

Option 2: Pay via BPAY®

To pay via BPAY® you will need to:

- (a) be an account holder with an Australian financial institution;
- (b) use the BPAY® Biller Code and your personalised customer reference number shown on your Application Form which is required to identify your shareholding; and

- (c) ensure that your payment is received by the Share Registry before **5.00pm (AEDT) on Tuesday, 19 November 2019**.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying via BPAY® there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

When making payment via BPAY®, please ensure that you enter the correct Biller Code and Customer Reference Number information that is shown on your personalised Application Form. The Customer Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Customer Reference Numbers. You must use the Customer Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you enter your BPAY® details incorrectly, Zenith may not be able to issue you your New Shares under the Entitlement Offer.

Amounts received by Zenith in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many additional New Shares as your Excess Amount will pay for in full under the Shortfall Offer.

3.7 Application Form is binding

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document and Application Form, does not prohibit you from being given the Offer Document and Application Form and that you:

- (a) agree to be bound by the terms of the Entitlement Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Application Form;
- (e) declare that you are an Eligible Shareholder resident in Australia, New Zealand, Singapore, Switzerland or the United Kingdom;
- (f) acknowledge that the information contained in, or accompanying, the Offer Document and Application Form, is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand, Singapore, Switzerland or the United Kingdom and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

Security Transfer Australia Pty Ltd

(from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200 between 8.30am and 5.30pm (AEDT), Monday to Friday during the Offer Period).

or contact your stockbroker or professional adviser

4. RISK FACTORS

4.1 Overview

Activities of the Company and its controlled entities, as in any business, are subject to risks which may impact upon the Company's future performance. Potential investors should read the entire Offer Document and review announcements made by the Company to ASX (at www.asx.com.au under the code "ZNC") in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

4.2 Company specific risks

(a) **General risks associated with operating overseas.**

In addition to its projects in Australia, the Company conducts or has interests in operations in United States of America and Turkey. Consequently, the Company will be subject to the risks associated with operating in such countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

(b) **Legal environment**

The legal systems in overseas countries may be less developed than more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

(c) **Sovereign risk**

Turkey, the USA and Mexico are subject to differing legal and political systems, when compared with the systems in place in Australia.

Possible risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

(d) **Operating risks**

There can be no assurance that the Company's intended goals will lead to successful exploration, mining and/or production operations. Further, no assurance can be given that the Company will be able to initiate or sustain minerals production, or that future operations will achieve commercial viability.

When additional exploration is undertaken and if a JORC compliant resource or reserve is not defined, then it may have a negative impact on the Company.

Future operations of the Company may be affected by various factors including:

- (i) geological and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and monsoon activity;
- (iii) delays associated with the obtaining of permits and approvals to undertake exploration activity including allowing ground disturbing activity associated with operations in Turkey, the USA and Mexico;
- (iv) delays associated with obtaining or failure to negotiate native title, heritage or aboriginal access agreements and delays associated with compliance with Australian and foreign heritage laws and regulations;
- (v) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (vi) electrical and/or mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) equipment failure, fires, spills or industrial and environmental accidents;
- (viii) unavailability of aircraft or equipment to undertake airborne surveys and other geological and geophysical investigations;
- (ix) risk that exploration, appraisal, development, plant or operating costs prove to be greater than expected or that the proposed timing of exploration, development or production may not be achieved;
- (x) failure to achieve exploration success;
- (xi) the supply and cost of skilled labour;
- (xii) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment; and
- (xiii) prevention and restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

No assurances can be given that the Company's operations will achieve commercial viability through successful exploration and/or mining.

(e) **Exploration and operating costs**

The proposed exploration expenditure of the Company is based on certain assumptions with respect to the method and timing of exploration and feasibility work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice.

(f) **Title risk**

The licences and other mining claims in which the Company will, or may acquire an interest in the future are subject to the applicable local laws and regulations.

Claims in which the Company has an interest are subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the claims or licenses liable for forfeiture.

The licences and other mining claims will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

(g) **Contractual risks**

The ability of the Company to achieve its objectives will depend on the performance by the counterparties to any agreements that the Company may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain

contracts to which the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

(h) **Commodity prices**

Increases in commodity prices may encourage increases in exploration, development and construction activities, which can result in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for services and equipment could cause exploration and project costs to increase materially, resulting in delays if services cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to co-ordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's financial condition.

A decrease in commodity prices may render mineral properties uneconomic or may result in material reductions in the value of exploration, development or developed mineral properties.

(i) **Health, safety and the environment**

The conduct of business in the resources sector involves a variety of risks to the health and safety of personnel and to the environment. If it is conceivable that an incident may occur which might negatively impact on the Company's business.

(j) **Compliance risk**

Title to a mining claim may be subject to the holder complying with the terms and conditions of the claim, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each claim, it may lose its relevant interest or be subject to fines or other variations to the terms and conditions to its mining claims.

(k) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(l) **Environmental risks**

The proposed activities of the Company are subject to the laws and regulations of Australia, the USA, Mexico and Turkey (and other locations where the Company may have operations) concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly during advanced exploration and future mining activities. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(m) **International operations**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

These factors (or others) could materially and adversely affect the Company's business, results of operations and financial condition.

(n) **Commodity price volatility and exchange rate risks**

If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate fluctuations and risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold and other commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities (including gold) are denominated in United States dollars, whereas the expenditure of the Company is and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In the future, a significant proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and the commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

Furthermore, at this stage the Company has decided to not put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability and/or financial position of the Company.

4.3 General securities investment and market risks

(a) **General economic climate**

The Company's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

(b) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its controlled entities.

(c) **Additional requirements for capital**

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity market for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

(d) **Insurance risks**

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) **Market risk and interest rate volatility**

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest rate to the Company and, hence, may affect its profit.

(f) **Competition**

There is a risk that the Company will not be able to continue to compete in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(g) **Share market**

There are general risks associated with an investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

(h) **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(i) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

4.4 Other

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

5. ADDITIONAL INFORMATION

5.1 Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

This document contains a summary of information only which the Company does not purport to be complete. The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with the ASX.

There may be additional announcements made by Zenith after the date of this Offer Document and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check the Company's website: www.zenithminerals.com.au or the ASX website: www.asx.com.au to see whether any further announcements have been made by Zenith before submitting your application to take up your Entitlement.

5.2 Offer Document

This Entitlement Offer is being made pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. Accordingly, this document contains a summary of information only which the Company does not purport to be complete.

Neither this Offer Document nor the Application Form are required to be lodged or registered with ASIC. This Offer Document is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Zenith. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on Zenith and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Document and other announcements made available at www.asx.com.au or on the Company's website: www.zenithminerals.com.au.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on Monday, 28 October 2019. In addition to certain technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

5.3 Information availability

Eligible Shareholders in Australia, New Zealand, Singapore, Switzerland or the United Kingdom can obtain a copy of this Offer Document during the Entitlement Offer Period on the Company's website at www.zenithminerals.com.au. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and the other relevant information to which it refers.

The electronic version of this Offer Document will not include an Application Form. A replacement Application Form can be requested from the Share Registry during the Entitlement Offer Period between 8.30am and 5.30pm (AEDT) on Business Days by calling from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200.

5.4 Taxation

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Entitlement Offer or Shareholders applying for New Shares, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of accepting the Entitlement Offer.

6. GLOSSARY

A\$, \$ and dollars means Australian dollars, unless otherwise stated.

AEDT means Australian Eastern Daylight Time, being the time in New South Wales, Victoria and Tasmania during the period of daylight saving.

Application means an application for New Shares pursuant to the Application Form.

Application Form means the Application Form attached to or accompanying this Offer Document.

Application Money means money received from an Eligible Shareholder in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Sub-register System.

Cleansing Statement means the notice lodged by the Company with ASX in accordance with section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer.

Closing Date means Tuesday, 19 November 2019, subject to the Company extending the date.

Company or **Zenith** means Zenith Minerals Limited ABN 96 119 397 938.

Corporations Act means the *Corporations Act 2001* (Cth), including as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 in relation to the Entitlement Offer.

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at 5.00pm (AEDT) on the Record Date with a registered address in Australia, New Zealand, Singapore, Switzerland or the United Kingdom.

Entitlement or **Right** means a Shareholder's entitlement to subscribe for New Shares offered under the Entitlement Offer.

Entitlement Offer or **Offer** means the offer to Eligible Shareholders of up to approximately 35,519,116 New Shares at an issue price of \$0.055 per New Share on the basis of 1 New Share for every 6 Existing Shares held at the Record Date.

Entitlement Offer Period means the period commencing on Tuesday, 5 November 2019 and ending on Tuesday, 19 November 2019 at 5.00pm (AEDT) (subject to the Company varying these dates).

Existing Share means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

Ineligible Foreign Shareholder means a Shareholder who is not an Eligible Shareholder.

Listing Rules or **ASX Listing Rules** means the official listing rules of the ASX.

New Share means a fully paid ordinary share in the capital of the Company to be issued under the Entitlement Offer.

Offer Document means this document, including any supplements or replacements to this document.

Offer Price means \$0.055 (5.5 cents) per New Share.

Official Quotation means official quotation on ASX.

Record Date means 5.00pm (AEDT) on Thursday, 31 October 2019.

Section means a section this Offer Document.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Security Transfer Australia Pty Limited (ABN 95 008 894 488).

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under the Entitlement Offer by the Closing Date.

Shortfall Offer means the facility described in Section 1.7 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlements.

Shortfall Shares means New Shares for which successful valid Applications have not been received by the Closing Date.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.