5th June 2018

Split Rocks Drilling Commenced

A two rig drill campaign (RC and RAB/AC) has commenced at Zenith’s 100% owned Split Rocks project in Western Australia, with 4 key aims:

1. RC drill testing of the new Dulcie lithium pegmatite target, where several recent shallow aircore drill holes ended in thick, weathered, lithium enriched pegmatite containing up to 0.12% Li₂O at end of hole;
2. First pass reconnaissance RAB drill testing of four large scale lithium soil geochemical anomalies generated by Zenith’s surface geochemical sampling in the western portion of the Split Rocks project area;
3. Testing extension targets of high-grade near surface cobalt-nickel-scandium mineralisation at Dulcie. New 1m re-split samples from the maiden aircore drill program include: 11m @ 0.21% cobalt and 1.49% nickel and 8m @ 0.13% cobalt and 0.96% nickel, whilst high-grade scandium occurs from surface on the southernmost drill line, new 1m re-split assay results include: 3m @ 218ppm and 4m @ 172 ppm scandium both from surface; and
4. Drill testing the Dulcie gold target southern extents where new 1m re-split samples have returned high-grade intervals including: 2m @ 6.54g/t gold (end of hole) and 5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold.

Zenith Minerals Limited (“Zenith” or “the Company”) is very pleased to advise that drilling has recommenced at the Company’s 100% owned Split Rocks project in Western Australia. Zenith started exploration of the Split Rocks project in 2017 with active, ongoing programs focusing on the lithium, nickel-cobalt as well as the gold potential. A recent drill program testing at the Dulcie prospect (one small area of Zenith’s 500sqkm Split Rocks project) returned significant lithium, nickel-cobalt-scandium and gold drill results (ASX Release 12th Apr 2018).

Encouraged by the initial drill results of that first program and the recently received 1m re-split assays that have upgraded the mineralised intervals, Zenith has now embarked on a large multifaceted follow-up drill campaign. An RC drill rig will be used to drill test the Dulcie lithium pegmatite target and to follow-up the high-grade gold results, whilst a more mobile aircore rig will conduct a dual purpose program of step-out drill testing for cobalt-nickel-scandium and gold, along strike from the high-grade zones intersected in the maiden drill program. RAB drilling will be used to conduct a first pass drill test of four large scale lithium soil geochemical anomalies located in the western portion of the project area.

The maiden drill program at Dulcie was successful in intersecting highly weathered yet strongly anomalous lithium bearing pegmatites, containing up to 0.12% Li₂O at end of hole (the limit of aircore rig capacity) over a strike length of 950m (ASX Release 27th Apr 2018). These newly identified pegmatites within Zenith’s tenure are considered significant being located north along strike of Kidman Resources Limited (ASX:KDR/SQM) Earl Grey lithium pegmatite deposit containing 189Mt @ 1.50% Li₂O (KDR ASX Release 19th Mar 2018) Figure 1. An RC drill program of an initial 7 holes along 800m of strike and 200m of width has now commenced, designed to test Zenith’s interpretation of two thick, flat lying, north dipping lithium bearing pegmatite sills to depths of up to 225m (Figures 2 & 3).

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Corporate Details

ASX: ZNC

Issued Shares (ZNC) 212.8M
Unlisted options 2.5M
Mkt. Cap. ($0.18) A$38M
Cash (31 Mar 2018) A$2.9 M
Debt Nil

Directors

Michael Clifford:
Managing Director

Mike Joyce:
Non Exec Chairman

Stan Macdonald:
Non Exec Director

Julian Goldsworthy:
Non Exec Director

Graham Riley:
Non Exec Director

Major Shareholders

HSBC Custody. Nom. 12.8%
Nada Granich 5.4%
Miquilini 4.3%
J P Morgan 4.1%
Abingdon 4.1%

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Abingdon House
409 Hay Street
Perth, WA, 6000

Zenith Minerals Limited
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Figure 1: Split Rocks Project Dulcie Prospect Location Plan

Figure 2: Dulcie Lithium Pegmatite Prospect Cross section Showing Proposed RC Drill Holes
A second drill rig (aircore) will be used to test the strike extensions of cobalt-nickel mineralisation over a 3km target zone south of the near surface, high-grade results at the Dulcie Prospect (Figure 3). Assay results have now been received for 1m re-splits returning higher cobalt grades over slightly narrower intervals than the initial 4m composite drill sample. New results include: **11m @ 0.21% cobalt and 1.49% nickel and 8m @ 0.13% cobalt and 0.96% nickel** (Figure 4a & 4b). High-grade cobalt – nickel mineralisation has been confirmed over 1km of strike extent in a near surface, flat lying, saprolite clay blanket-type body.

**Figure 3: Split Rocks Dulcie Cobalt 3D Model**

**Figure 4a: Split Rocks Dulcie Cobalt-Nickel Cross Sections (refer to Figure 3 for cross section locations)**
In addition to the nickel-cobalt mineralisation, significant levels of scandium were identified in the drill program with the best results occurring at surface on the southernmost drill line. New scandium assay results have now been received for 1m re-splits of the previous 4m composite samples and show higher scandium grades over slightly narrower intervals. Results include: 3m @ 218 ppm and 4m @ 172 ppm scandium both from surface (Figures 5 & 6). The scandium mineralisation at Dulcie forms a continuous flat-lying, near surface blanket-like zone above the cobalt-nickel mineralisation.

![Figure 5: Split Rocks Dulcie Scandium 3D Model](image)
Significant gold mineralisation was intersected in several drill holes in the south of the Dulcie prospect area (ZNC ASX Release 12th Apr 2018). Zenith’s maiden aircore drill program confirmed the presence of gold mineralisation first identified in historic exploration in 1998 and outlined new gold mineralisation on Zenith’s southernmost drill lines. New 1m re-split sampling of the 4m composite drill samples has returned high grade intervals including: 2m @ 6.54g/t gold (end of hole) and 5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold.

Strongly anomalous gold (5m @ 0.47 g/t Au) was intersected in historic drilling in surface laterite a further 750m to the south (Figure 7) of the gold mineralisation identified by Zenith. This 750m long zone and a further 2km of strike will be tested in the current aircore drill program whilst the RC drill rig will be used to drill test beneath and down dip of the better gold intersections reported above (Figure 8).
Significant cobalt and nickel results are included in Table 1, scandium in Table 2, lithium in Table 3 and gold results in Table 5. JORC reporting tables are appended to the end of this release.

As detailed in Zenith’s ASX release (27th Apr 2018) first pass surface samples taken at Split Rocks, to date covering less than 10% of the Company’s tenements, have defined four large, coherent zones of anomalous lithium, caesium and rubidium surrounding granite bodies in the western exploration licences that may be potential source rocks for lithium bearing pegmatites (Figure 9).

The tenor of these large scale lithium anomalies is comparable with competitor surface results that upon drilling have returned significant bedrock lithium mineralisation in several instances. Field follow-up indicated very little to no outcrop in the areas of the lithium soil anomalies. The current drill program will provide an initial first pass drill test of the lithium, caesium and rubidium soil anomalies a total of 80 RAB drill holes is planned to test the four anomalies (Figure 9).
Figure 9: Split Rocks Project – Lithium Anomalies Overlying Generalised Geology & Proposed RAB Drill Lines
Lithium Potential

The 100% owned Split Rocks Project covers a large portion (total area >500sqkm) of the Forrestania Greenstone Belt of Western Australia (Figure 10). This emerging lithium district is host to the new Earl Grey lithium deposit owned by Kidman Resources and SQM containing 189Mt @ 1.5% Li₂O (KDR ASX Release 19th Mar 2018). Zenith is exploring for this style of lithium rich (spodumene) pegmatite within its large land holding.

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

The Company notes that the majority of previous exploration activity on the Zenith’s Split Rocks project was surface-based, and focused solely on nickel exploration or relatively minor gold exploration with only limited fresh rock drilling programs, with no evidence of any lithium analyses during past exploration programs. However, several historic exploration drill holes documented in open file reports did intersect pegmatites in areas within Zenith’s applications and along strike adding significantly to the projects lithium prospectivity.

Gold Potential

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 (Figure 11).

There are two main gold trends in the Forrestania Greenstone Belt an eastern gold trend that includes the Bounty gold mine and associated smaller scale gold deposits extending north to Southern Cross where the large gold mines at Marvel Loch have been exploited. 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).
Figure 11: Split Rocks Project Tenure showing major gold deposits in the region

Note for the location details of Dulcie Prospect Aircore Drill Collars refer to Table 1 in ASX Release 12\textsuperscript{th} April 2018. Sampling details and methodology relevant to the new 1m re-split sample results reported in this release are the same as those previously reported for the 4m composite samples which are detailed in JORC Tables 1 & 2 in ASX Release 12\textsuperscript{th} April 2018.

**Table 1 – Dulcie Prospect Significant Cobalt and Nickel Results – 1m Re-splits**

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Table 2 – Dulcie Prospect Significant Scandium Results – 1m Re-splits

Scandium Intercepts at 100ppm Sc cut-off

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Table 3 – Dulcie Prospect Significant Gold Results – 1m Re-splits

Gold Intercepts at 0.5ppm Au cut-off and 1.0g/t Au

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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 June 2018

For further information contact:

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Phone +61 8 6314 6300
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 where 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 2018 (ASX Release 5th Oct 2016).

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) - Geophysical surveys in progress

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 (ASX Release 18th Oct 2017) - Drill permits received.

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. 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 (ASX Release 15th Feb 2015).

Split Rocks Lithium, Nickel-Cobalt & 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 (ASX Release 21st Sep 2017).

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 (ASX Release 25th July 2017). Follow-up sampling planned

Waratah Well Lithium -Tantalum Project WA (ZNC 100%)
- Extensive outcropping pegmatites (3km x 2km) encouraging lithium rock chip sample results up to 1.75% Li₂O as well as widespread, high-grade tantalum up to 1166ppm Ta₂O₅ (ASX Release 29th Jul 2017 & 27th Apr 2018).

Earakeedy 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 (ASX Release June Qtly 2015)- Seeking development partner/ buyer for iron project.

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for its projects on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release.