

Zenith
Minerals
Limited

ABN 96 119 397 938

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31st MARCH 2019 HIGHLIGHTS

ASX CODE: ZNC

Exploration / Development

- Kavaklitepe Gold - Turkey
- American Lithium
 - Zacatecas – Mexico
 - San Domingo – USA
 - Burro Creek – USA
 - Wilson Salt Flat – USA
 - Spencer - USA
- Split Rocks Lithium, Gold & Cobalt – Aus
- Develin Creek Copper-Zinc-Gold

Details as at 31st March 2019

| | |
|--------------------------------------|---------|
| Issued Shares (ZNC) | 212.8 m |
| Unlisted options | 4.15 m |
| Mkt. Cap. (\$0.07) | A\$14m |
| Cash as at 31 st Mar 2019 | A\$1.1m |
| 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

| | |
|--------------------|-------|
| HSCB Custody. Nom. | 12.2% |
| Nada Granich | 5.4% |
| J P Morgan | 4.8% |
| Miquilini | 4.3% |
| Abingdon | 4.1% |

Contact Us

Zenith Minerals Australia Limited
Level 2, 33 Ord Street
WEST PERTH WA 6005

PO Box 1426
WEST PERTH WA 6872

Telephone: (08) 9226 1110
Email: info@zenithminerals.com.au
Web: www.zenithminerals.com.au

Kavaklitepe Gold Project - Turkey

A 3000m RC drill program commenced immediately post the quarter at Kavaklitepe operated and funded by JV partner Teck Anadolu Madencilik Sanayi v. Ticaret A.S. ("Teck") a Turkish subsidiary of Teck Resources Limited, consisting of 2000m of infill drilling at the Kuzey zone to follow-up on results from the 2018 drill program that returned thick high-grade gold intersections including: **21m @ 3.29 g/t Au, 14m @ 6.09 g/t Au and 8m @ 2.29 g/t Au.** A further 1000m of drilling at the Discovery and Guney Zones will test bedrock targets where rock traverse sampling along drill access tracks during the quarter returned encouraging gold results, including: **8m @ 1.77 g/t Au, 8m @ 1.74 g/t Au, including 4m @ 3.17 g/t Au.**

Split Rocks Lithium-Gold Project – Western Australia

Zenith optioned bedrock gold (gold >6 metres below surface) and lithium rights to tenements immediately east of the Dulcie lithium target, and covering the operating Dulcie heap leach gold project, in exchange for surface laterite gold rights on Zenith's adjoining exploration licence E77/2388.

High-grade historic drill results include: **6.0m @ 16.91 g/t Au, 2.0m @ 32.73 g/t Au, 2.0m @ 16.5 g/t Au, 2.0m @ 15.40 g/t Au, 5.0m @ 4.73 g/t Au, 4.0m @ 4.90 g/t Au and 9.0m @ 2.10g/t Au,** presenting several high-priority target zones for follow-up by Zenith. Detailed review by Zenith of historic data shows these higher-grade historic drill results are mostly hosted within banded iron formation (BIF) whilst most of the deeper historic holes have not tested this BIF target zone.

In addition, wide strongly anomalous gold in bedrock intervals (32m @ 0.6 g/t Au and 57m @ 0.28g/t Au) demonstrate large shallow dipping mineralised structures tracking through the project area, beneath a 4km x 1.5km laterite gold rich zone.

Zenith is planning a multi-hole drill program to follow-up on the historic high-grade gold results and to test the target zone where the large mineralised shallow dipping structures intersect the preferred BIF host rocks. The acquisition further increases the Company's strong ground position in the Forrestania lithium belt, and Zenith's proposed drill program will have a dual purpose of testing gold and lithium pegmatite targets.

American Lithium JV

Additional claims west of Burro Creek covering lithium clay targets and a USA lithium oil brine play have been added to the American lithium JV project portfolio.

Bradda Head Holdings Ltd ("Bradda Head") intends to seek the admission of its shares to London's AIM Market (AIM). In this regard, Bradda Head has appointed Allenby Capital, as its Nominated Advisor and are working on the requisite documentation for this transaction.

Other Australian Projects

Immediately post the quarter – drilling commenced at the **Earaheedy Zinc** project.

The program will test high-order gravity targets outlined by Zenith's partner Rumble Resources Limited (RTR) that are associated with widespread (20km x 3.5km) zinc mineralisation defined by historic drilling. Better historic drill intersections include: **11.3m @ 4.34% zinc including 2.3m @ 14.42% Zn, 1.15% Pb** from 150.2m.

ZENITH'S EXPLORATION PROJECTS

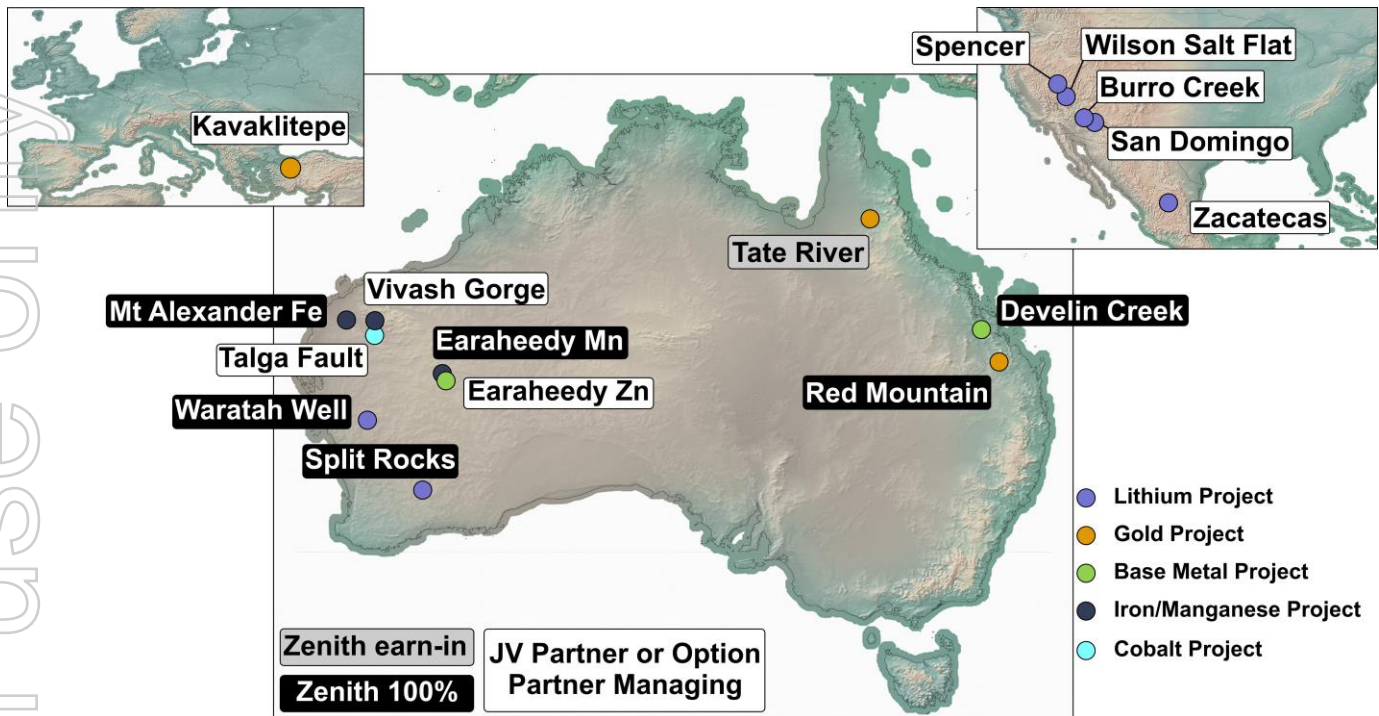


Figure 1: Zenith Project Locations

The Company has continued to implement its strategy of being an exploration project generator. Projects are either advanced by the Company's experienced team applying innovative exploration techniques or by partners who have the technical and financial capability, depending on how the Board believes shareholders' best interests are served.

The Company currently has two non-managed joint ventures - Kavaklitepe (Teck) and American Lithium (Bradda Head Limited) whilst three other projects are optioned to partners: Earraheedy Zinc (Rumble Resources ASX:RTR), Vivash Iron (Rio Tinto Exploration Pty Ltd) and Talga Fault Cobalt (Greenpower ASX:GPP). In addition to Zenith's own exploration activities it is estimated that these partners will spend in the order of \$1 to \$5 million over the course of 2019 on Zenith's projects.

SPLIT ROCKS LITHIUM & GOLD PROJECT – WA (Zenith 100%)

- The 100% owned Split Rocks Project covers a large portion (total area >500sqkm) of the Forrester Greenstone Belt of Western Australia. This emerging lithium district is host to the new Earl Grey lithium deposit containing 189Mt @ 1.5% Li₂O (KDR ASX Release 19th Mar 2018).
- RC drill testing of the Dulcie lithium pegmatite target confirmed thick pegmatite bodies containing broad anomalous levels of lithium including: 79m @ 284ppm Li₂O with a peak value of 1m @ 1072ppm Li₂O. The pegmatite body remains open to the north and west.
- Soil sampling has defined 7 lithium anomalies to date, of which 5 have had preliminary shallow RAB/aircore drill tests. A high tenor coincident lithium tantalum-niobium soil anomaly at Anomaly 2, requires field follow-up prior to drill testing;
- Significant gold mineralisation intersected at the Dulcie Prospect including: 5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold, 2m @ 6.54g/t gold (end of hole) as detailed in ZNC ASX Release 5th June 2018 – follow-up drilling yet to be completed.
- Option on bedrock gold & lithium rights over adjoining Dulcie Heap Leach Operation where high-grade historic drill results include: 6.0m @ 16.91 g/t Au, 2.0m @ 32.73 g/t Au, 2.0m @ 16.5 g/t Au, 2.0m @ 15.40 g/t Au, 5.0m @ 4.73 g/t Au, 4.0m @ 4.90 g/t Au and 9.0m @ 2.10g/t Au, presenting several high-priority drill targets for follow-up by Zenith.

Activities During the Quarter

Zenith announced to ASX on 21 March 2019 that it has optioned bedrock gold (gold >6 metres below surface) and lithium rights to tenements immediately east of the Dulcie lithium target, and covering the operating Dulcie heap leach gold project, in exchange for surface laterite gold rights on Zenith's adjoining exploration licence E77/2388.

The acquisition further increases the Company's strong ground position in the Forrestania lithium belt, and Zenith's proposed drill program will have a dual purpose of testing gold and lithium pegmatite targets.

Split Rocks Lithium

As detailed in Zenith's ASX releases on (21st Sept 2018, 17th April 2018, 14th September 2017, 4th December 2017, 6th July 2018 and 14th August 2018) first pass surface samples taken at Split Rocks, to date covering approximately 20% of the Company's tenements, defined seven large, coherent lithium anomalies with variable levels of associated caesium, tantalum and rubidium surrounding granite bodies that may be potential source rocks for lithium bearing pegmatites (Figure 2).

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 by Zenith indicated very little to no outcrop in the areas of the lithium soil anomalies and that drill testing was required.

Soil anomalies 2 and 7 were deemed not yet ready for drill testing as they required further infill and extensional sampling to better define the drill targets. A further round of infill and extensional soil sampling was completed at Anomaly 2 during the quarter (Figure 2), with the work confirming two separate coherent anomalous lithium zones up to 200ppm Li (as previously reported in ASX Release 30th January 2019).

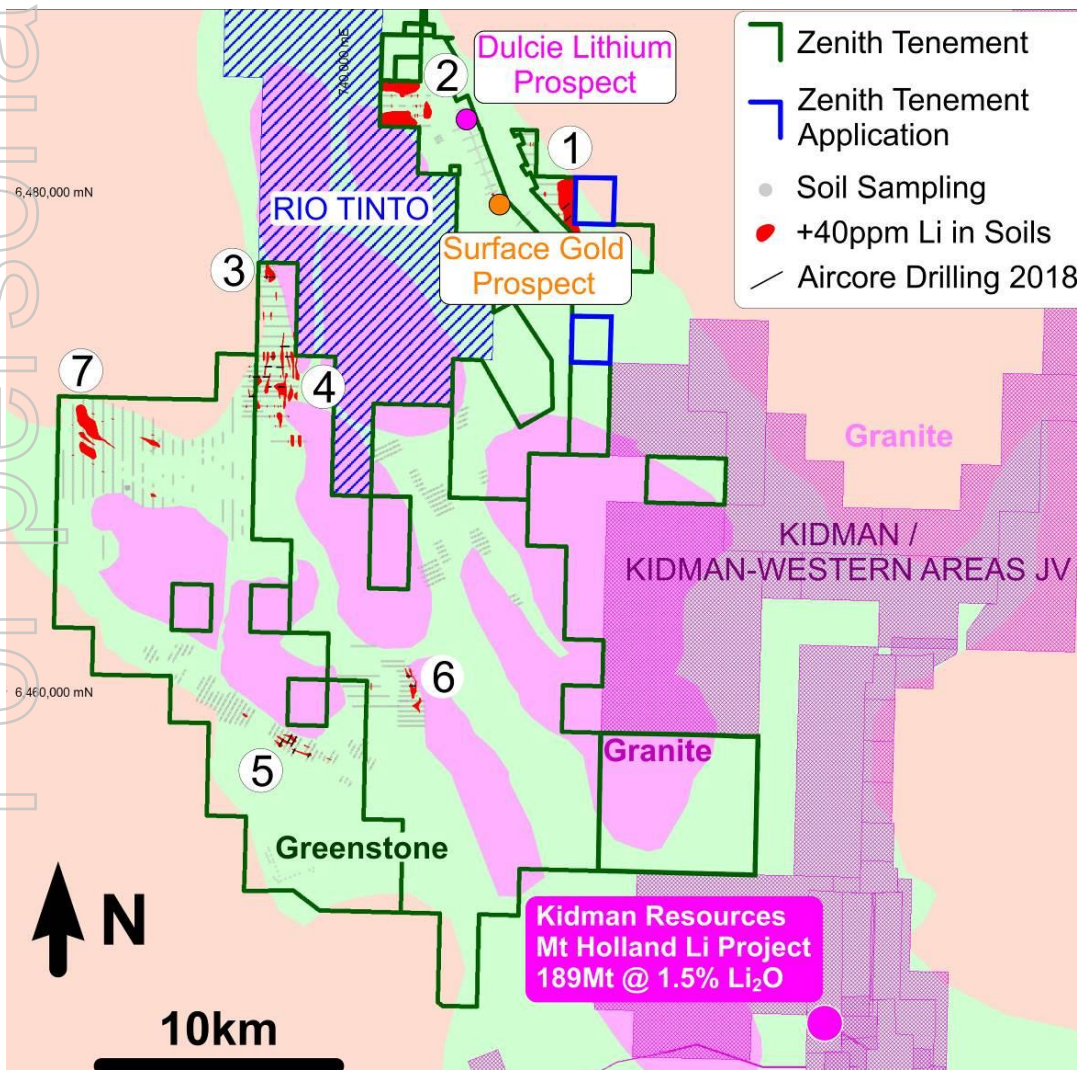


Figure 2: Split Rocks Project Prospects and Lithium Drill Targets

This latest round of sampling however did not confirm the presence of high-grade tantalum (up to 371ppm Ta and niobium up to 205 ppm Nb) results previously reported in ASX release dated 30th January 2019. Sampling protocols, QA-QC and a laboratory audit failed to explain the previous high-grade Ta & Nb values that were repeatable by re-analysing splits of the initial samples submitted to the laboratory.

Protocols and details for soil sampling completed during the quarter at Split Rocks are as previously reported in JORC tables in ZNC's ASX release dated 6th July 2018.

Split Rocks – Dulcie Lithium Prospect

Zenith's Dulcie lithium prospect is a 950-metre-long zone of pegmatites, from which shallow aircore drill holes in Zenith's maiden program returned strongly anomalous lithium results up to 2m @ 0.12%Li₂O.

Follow up RC drilling at Dulcie (ASX Release 14th August 2018) confirmed thick pegmatite bodies (up to 79m downhole widths) with lithium content in 4m composite samples strongly anomalous in the northern most drill hole ZDRC006 (80m @ 353ppm Li₂O) (Figure 2). Subsequent one metre resampling confirmed the tenor of the 4m composite samples, ZDRC006 (79m @ 284ppm Li₂O), with a peak value of 1m @ 1072ppm Li₂O. The pegmatite body remains open to the north and east and further drilling is planned in combination with RC drill programs scheduled to be completed later this calendar year.

Split Rocks Gold Results

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 returning intersections of **5m @ 2.51 g/t gold including 1m @ 8.79 g/t gold** as well as outlining new gold mineralisation on Zenith's southernmost drill lines up to **2m @ 6.54g/t gold** (end of hole) – as detailed in ZNC ASX Release 5th June 2018. The planned program to use an RC drill rig to drill test beneath and down dip of the better gold intersections reported above (such as **2m @ 6.54g/t gold** (end of hole)) was previously cancelled due to excessive rainfall. Follow-up testing is still to be completed.

In addition, gold within surficial laterite has been outlined with results including 4m @ 1.16 g/t gold from surface (ASX Release 31st July 2018). Infill drilling completed during the quarter to test the potential for one or more modest scale, laterite gold, surface deposits of a similar style to that currently being mined and treated at the adjoining Dulcie Heap Leach gold operation was completed (Figure 3). An additional 5 aircore drill holes intersected laterite hosted surface gold mineralisation of a tenor greater than 1m @ 0.4 g/t Au at depths less than 3 metres from surface. Further drilling will be required to define a mineral resource and to test for bedrock gold mineralisation below the surface gold zone. Protocols and details for aircore sampling completed during the quarter at Split Rocks are as previously reported in JORC tables in ZNC's ASX release dated 31st July 2018.

Dulcie Heap Leach Gold Project – Bedrock Gold Option

During the quarter the Company announced (ZNC ASX Release 21st March 2019) that it had executed an option agreement with the owners of the Dulcie Heap Leach Gold Operation (DHLGO). The agreement provides Zenith with an exclusive right to explore for bedrock gold mineralisation beneath the large laterite rich gold cap currently being mined and treated on leases located contiguous with Zenith's Split Rocks project licences, located in the Forrestania greenstone belt, Western Australia (Figure 3).

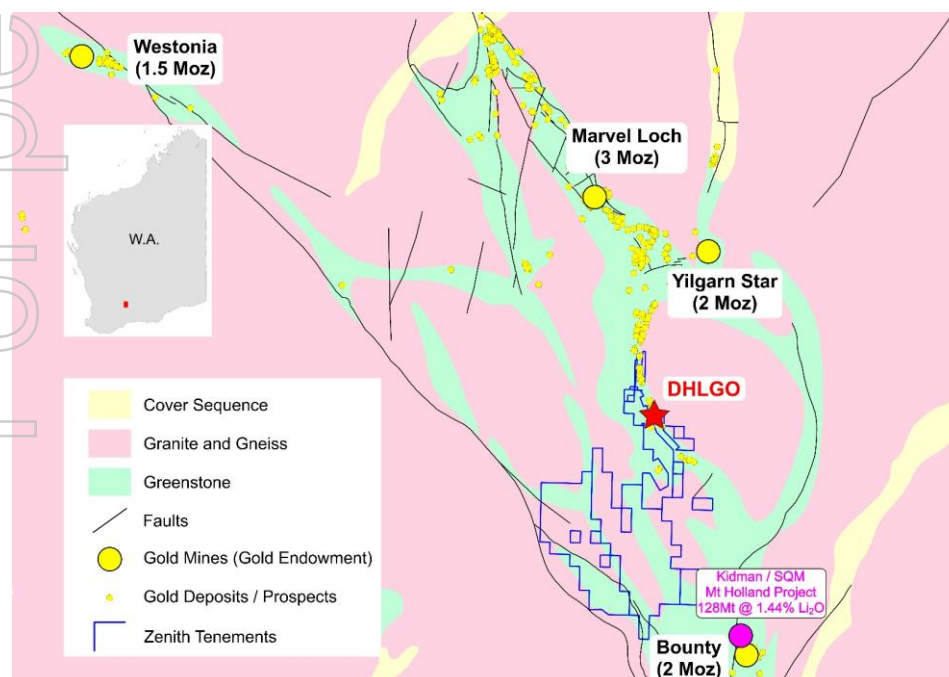


Figure 3: DHLGO Prospect and Split Rocks Project Location Map Showing Regional Gold Endowment

A detailed review by Zenith's geological team of historical exploration reports on the area of the DHLGO leases highlight that high-grade gold mineralisation is predominantly hosted by moderately west dipping BIF units (Figures 4 & 5). High-grade historic drill results include: **6.0m @ 16.91 g/t Au, 2.0m @ 32.73 g/t Au, 2.0m @ 16.5 g/t Au, 2.0m @ 15.40 g/t Au, 5.0m @ 4.73 g/t Au, 4.0m @ 4.90 g/t Au and 9.0m @ 2.10g/t Au**, presenting several high-priority target zones for follow-up by Zenith.

Of note, most historic drill holes have failed to adequately test Zenith's high-priority BIF target zone, where the shallow, wide, west dipping mineralised structures (with results such as: 32m @ 0.6 g/t Au and 57m @ 0.28g/t Au) intersect the north-south moderately west dipping preferred host rock BIF units. Most of the historic exploration drill holes have been collared to test the main laterite gold zone and are too far east of the target BIF host unit to be an effective test. In addition, most historic drill holes have only focused on the near surface laterite rich gold zone with only 38 holes of a total of 1,777 being drilled deeper than 75m (Figures 4 & 5). The average drill hole depth for the project area is only 19.7m.

Holes were drilled either vertical or at -60° east and assuming moderate west dipping gold mineralisation then intersection widths will be close to true widths, however there is insufficient drill density to be confident that all gold zones are dipping west and therefore caution must be applied regarding the widths of reported gold zones.

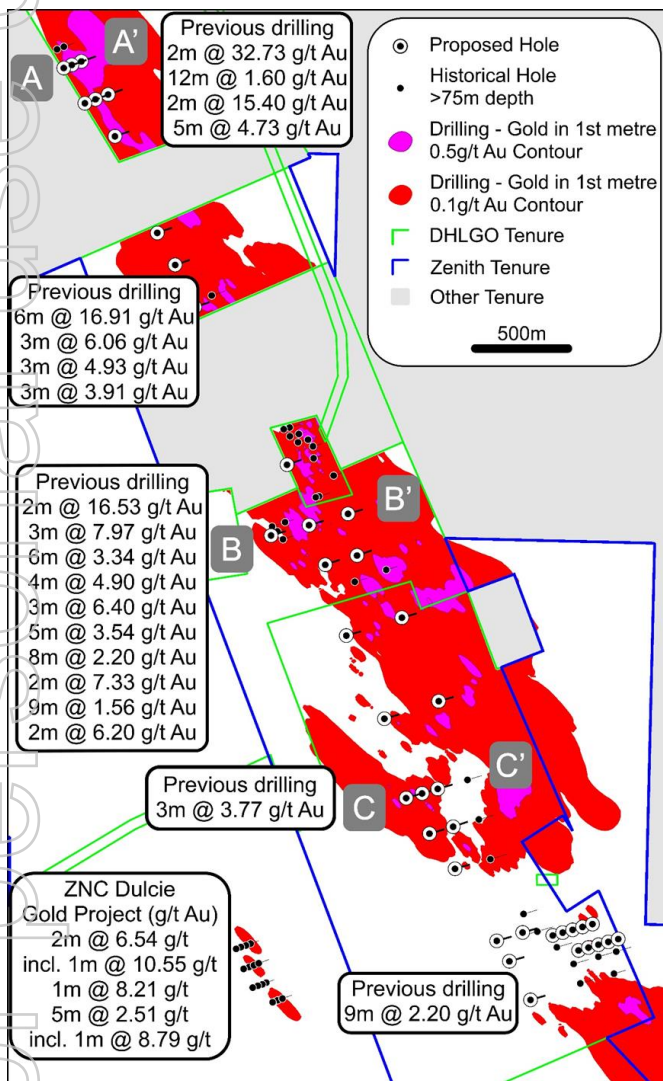


Figure 4: DHLGO Prospect Significant Drill Results and Proposed ZNC Drilling

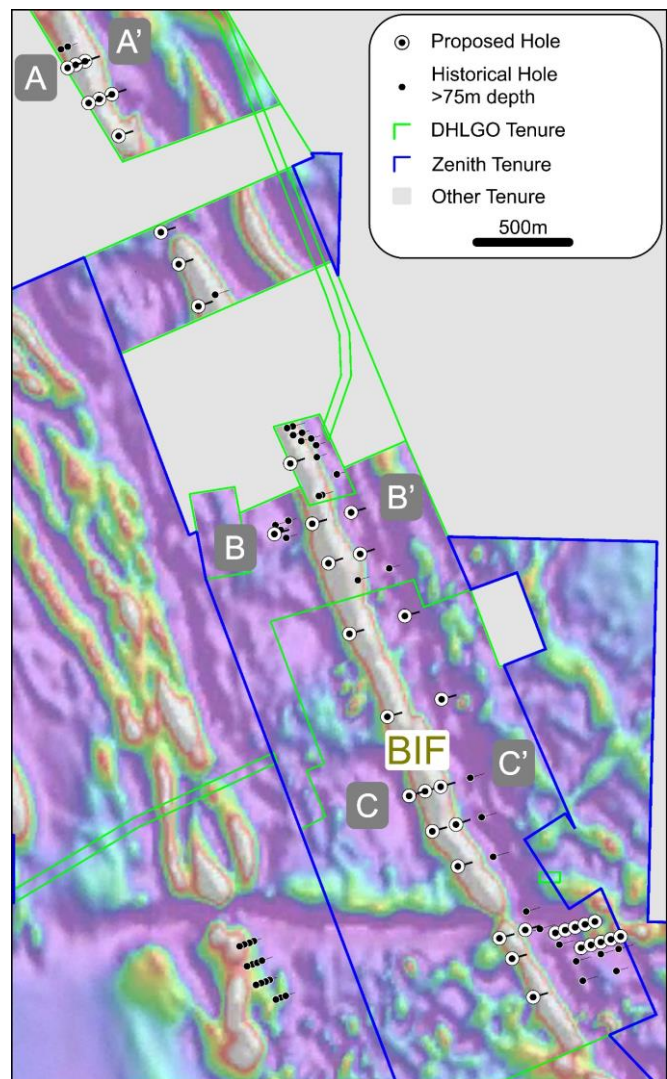


Figure 5: DHLGO Prospect Proposed ZNC Drilling over Magnetic Image (RTP) Highlighting BIF Target Zone (Note only historic drill holes greater than 75m downhole depth shown)

In addition, to the high-grade gold targets, several historic exploration drill holes intersected pegmatite bodies that have not yet been analysed for lithium. Zenith will assess the **lithium potential** of the area in conjunction with its systematic screening of its large, 100% owned Split Rocks project landholdings (500 sqkm) in the Forrestania greenstone belt. This emerging lithium district is host to SQM-Kidman's Mt Holland/Earl Grey lithium deposit containing 189Mt @ 1.5% Li_2O (KDR:ASX Release 19th Mar 2018).

The ground acquired is located immediately east of Zenith's Dulcie lithium target, where aircore and RC drilling has confirmed thick pegmatite bodies (up to 79m downhole widths) –containing broad anomalous levels of lithium throughout 79m @ 284ppm Li₂O with a peak value of 1m @ 1072ppm Li₂O.

Planned follow up drilling by Zenith will provide an initial test of several of the higher-grade bedrock. Drill holes are planned on lines nominally 200m apart.

Planned Programs at Split Rocks

Field follow-up of the lithium Anomaly 2 is required prior to drill testing. Further drilling to test bedrock gold and surface gold targets will be completed in conjunction with lithium drill testing.

AMERICAN LITHIUM JOINT VENTURE

The American Lithium Joint Venture includes a US\$5 million farm-in deal with a private company controlled by prominent UK investor Jim Mellon (Bradda Head Ltd) (ASX Release 7th March 2017) to jointly unlock the potential of Zenith's USA and Mexican lithium project portfolio.

Bradda Head Holdings Ltd ("Bradda Head") intends to seek the admission of its shares to London's AIM Market (AIM). In this regard, Bradda Head has appointed Allenby Capital, as its Nominated Advisor and are working on the requisite documentation for this transaction.



BURRO CREEK LITHIUM CLAY PROJECT – ARIZONA, USA (Option to Earn 100%)

- Widespread, near surface lithium results were intersected in the maiden drill program at the Burro Creek project including: 22.9 metres @ 1088ppm lithium and 2.94% potassium from 4.68m depth, and 24.4 metres @ 1361ppm lithium and 3.23% potassium from 19.8m depth (ZNC – ASX Release 19th June 2018).
- Depending on the cut-off grade used the lithium mineralised portion of the clay averages 23 to 54 metres in thickness, whilst recent testwork indicates a bulk density of 1.6 to 1.8 g/cm³.
- Drilling to date has tested only a small portion of the total project area that has recently been expanded by staking claims to the west;
- Mapping and sampling in the western claim area returned further widespread, high-grade lithium clays at surface with two new areas identified each equal in size to the zone of lithium mineralisation discovered in the current drill program;
- Maiden mineral resource estimate pending; and
- Metallurgical testwork has returned positive results.

Activities During the Quarter

Additional claims covering outcropping lithium bearing clays located 22km northwest of Burro Creek have been formally accepted by Zenith to be part of the American Lithium Joint Venture with Bradda Head Limited.

Mapping and sampling indicate widespread flat lying, high-grade lithium in clay and claystone similar in character to that in the existing Burro Creek claims, where drilling in 2018 returned results up to 24.4 metres @ 1361ppm lithium (ZNC ASX Release 19th June 2018).

The new Joint Venture claims covering approximately 3000 acres are located close to and locally adjoin claims over the Big Sandy lithium clay project held by Hawkstone Mining Limited (ASX:HWK). HWK announced to the

ASX on 13th Dec 2018 drill results including 43.8 metres @ 2089 ppm lithium from the Big Sandy project. A portion of the new Joint Venture claims are located only 200 metres north of HWK's northern most drill holes. All claims formally accepted by Zenith into the Joint Venture are reported by Bradda Head to cover previously un-staked ground and are uncontested.

Further details on sampling and results will be disclosed in Bradda Head's upcoming Competent Persons Report appended to their Prospectus.

Planned Activities

Next steps in advancing Burro Creek include finalisation of the maiden Burro Creek East Mineral Resource Estimate, deriving a new Exploration Target that incorporates the new claim areas referred to above, resource infill and extension drilling at Burro Creek East, first-pass drilling in the Burro Creek West areas, detailed metallurgical testwork leading to an initial scoping study. The mineral resource consultant is yet to provide the Bradda Head with the final completed estimate. It is anticipated that this will occur in conjunction with signoff on a Competent Persons Report (CPR) that forms part of Bradda Head's AIM re-listing requirements.

ZACATECAS LITHIUM BRINE PROJECT – MEXICO

- **Tenure (26,000 acres) over system of salt lakes in central Mexico;**
- **Lithium brines to 2.1% Li reported in regional sampling conducted by the Mexican Federal Government from solar evaporation ponds for salt production on adjacent salt lake (10km west of Zenith's tenure).**
- **Government results confirm lithium enriched brines are present in district, as well as demonstrating that concentration of lithium by solar evaporation methods is possible: Four water samples returned 1.2%, 1.4%, 1.4% and 2.1% lithium, these very high-grade lithium brines are like post-concentration brine feedstock to lithium brine production facilities;**
- **Systematic surface geochemical sampling by Zenith on salt pans returned highly anomalous lithium in surface sediments up to 1046ppm Li;**
- **Initial 11-hole shallow auger program (2017) returned strong lithium in salt lake sediments up to 0.09% Li;**
- **Near surface water samples are not strongly saline, perhaps due to rainwater dilution. However, lithium and total salinity in brine samples increase with depth in all holes pointing to deeper target;**
- **Ground based magnetotelluric (MT) geophysical surveys indicate conductive layer beneath the Illescas salt lake; 200 – 400m thick, 2.5km in length sited below strongly anomalous surface sample results, representing a compelling lithium brine drill target;**
- **Conductive layer defined at the San Vicente-San Juan salt lake concession, target zone is 100m to 200m in thickness, at a depth of 50 to 300m depth below surface; and**
- **Permitting for drill testing at San Vicente target completed.**

Activities During the Quarter

Nil this quarter.

Planned Programs at Zacatecas

Drill testing to proceed on Bradda Head re-listing on AIM.

WILSON SALT FLAT LITHIUM BRINE PROJECT – NEVADA USA

- **Sampling by Zenith returned up to 192ppm lithium from salt lake surface;**
- **The high-grade lithium surface sample results are coincident with gravity low anomalies reflecting basin sedimentary sequences that potentially host lithium brines.**
- **Both aeromagnetic and gravity modelling indicate complex basement geology indicative of major faults capable of channelling and focusing lithium enriched geothermal fluids; and**
- **Ground based magnetotelluric (MT) geophysical surveys indicates conductive layer in upper 200 – 300m below surface, representing a lithium brine drill target.**

Activities During the Quarter

Nil this quarter.

Planned Activities

An initial 2-hole drilling program has been permitted to test structural and stratigraphic targets identified by geophysical surveys. Given success with these preliminary exploratory drill holes in finding brine aquifers and lithium, additional holes would be placed to expand on the information relating to basin hydrogeology, leading to resource estimation. Drilling planned to commence following Bradda Head re-listing on AIM.

SAN DOMINGO LITHIUM PEGMATITE PROJECT – ARIZONA USA

- Abundant lithium bearing pegmatite dykes within Zenith's claims over an area 9km by 1.5km;
- Initial continuous rock chip sampling returned very encouraging results up to 5m @ 1.97% Li₂O including 2.4m @ 2.49% Li₂O within 14.1m zone @ 1.02%Li₂O from spodumene rich pegmatites;
- In the SW of the project area select grab samples returned high-grade lithium from pegmatite dykes of 5.8% and 8.0% Li₂O. Systematic composite rock chip sampling of more strongly weathered spodumene rich pegmatite returned: 2.9m @ 0.86% Li₂O, 2.8m @ 0.69% Li₂O, 3m @ 0.71% Li₂O, and 3m @ 0.56% Li₂O, the latter two samples are part of a near true width zone of 12.7m @ 0.45% Li₂O; and
- Lithium as spodumene and amblygonite concentrates along with tantalum was produced from pegmatites within the district during the period 1947 – 1952.

Activities During the Quarter

Nil this quarter.

Planned Programs

Initial drill testing of the western San Domingo claim lithium pegmatite targets followed by drilling of the central and eastern pegmatite targets is planned.

SPENCER LITHIUM BRINE PROJECT – NEVADA USA

- Initial reconnaissance sampling by Zenith returned up to 550ppm lithium in surface sediments - comparable to and higher than those from competitor lithium brine projects in the USA;
- The high-grade lithium surface sample results are coincident with gravity low anomalies reflecting basin sedimentary sequences that potentially host lithium brines.
- Local geothermal springs indicate active circulating hot waters capable of leaching lithium whilst both aeromagnetic and gravity modelling indicate complex basement geology indicative of major faults capable of channelling and focusing lithium enriched geothermal fluids; and
- Infill surface sampling and ground based geophysical surveys are planned prior to drill testing.

Activities During the Quarter

Nil this quarter

Planned Activities

Infill surface sampling and electrical geophysical surveys followed by drilling are the next steps in exploration of the Spencer project.

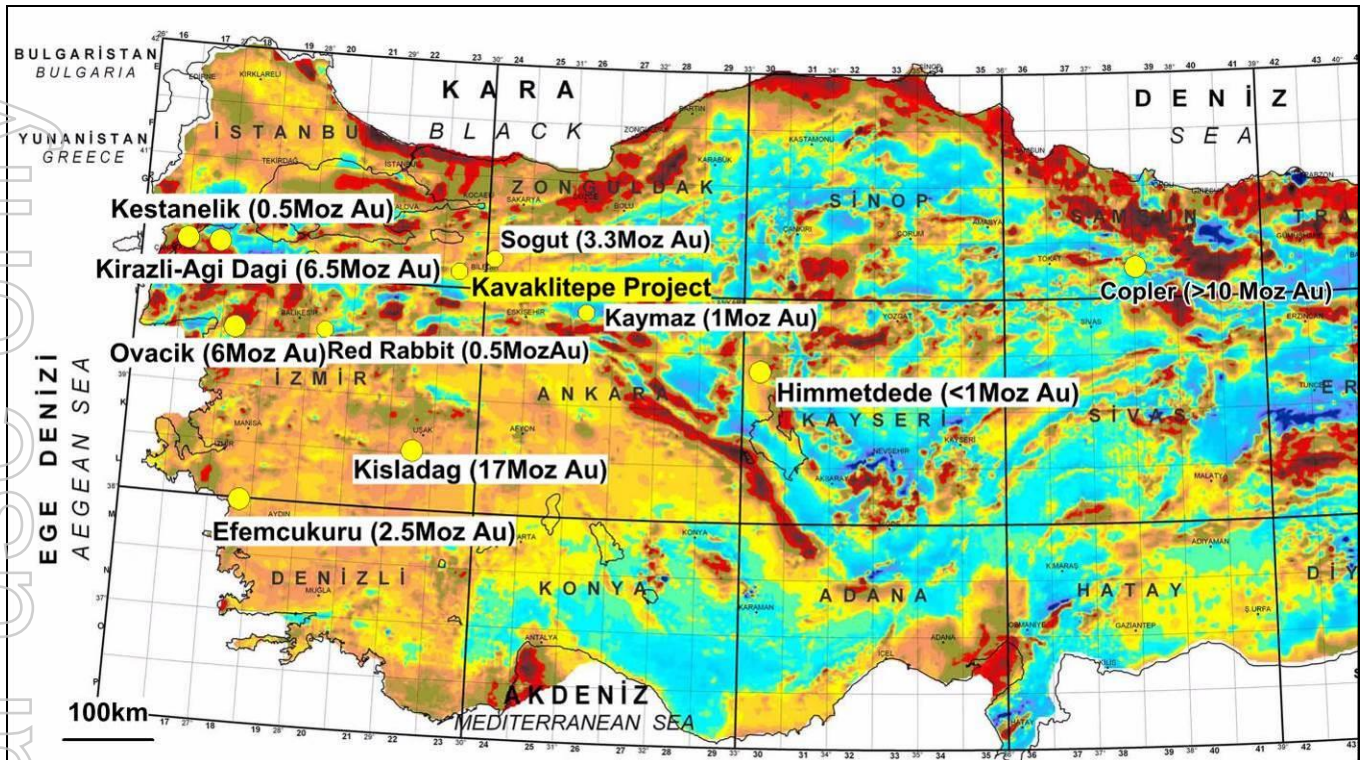
LITHIUM OIL BRINE PROJECT – PENNSYLVANIA USA

As foreshadowed in Zenith's ASX releases on (31st July 2018, 27th April 2018, 30th January 2019) the Company has been assessing new lithium brine opportunities in conjunction with Bradda Head that will form part of the JV portfolio.

Initial and yet incomplete leasing of private oil field brine rights in Pennsylvania has been undertaken in an area where previous sampling of two historic oil wells located approximately 6 km apart returned significant lithium. The oil wells have been capped and shut-in and will require re-opening using a suitable oil field drill rig to allow confirmation sampling.

Further details will be disclosed in Bradda Head's upcoming Competent Persons Report appended to their Prospectus.

KAVAKLITEPE GOLD JOINT VENTURE



Kavaklitepe Project Location and Regional Gold Endowment (Image is Total Magnetic Intensity)

KAVAKLITEPE GOLD PROJECT – TURKEY (Zenith 30%-diluting)

- Two coherent plus 800-metre-long, high order gold in soil anomalies (+50 ppb), with peak soil sample values over 1 g/t gold;
- Kuzey Zone Drill results include: 21m @ 3.29 g/t Au, 14m @ 6.09 g/t Au, 16m @ 4.7 g/t, 9m @ 5.2g/t and 7.8m @ 7.3g/t gold, and continuous surface rock chip results include: 54.0m @ 3.33 g/t gold, 10m @ 12.2 g/t Au; 44m @ 3.37 g/t Au, 15m @ 10.10 g/t Au and 6.5m @ 5.18 g/t Au;
- Continuous rock chip sampling results include: 21m grading 2.67 g/t Au at the Discovery Zone, 44m @ 3.37 g/t Au, 10m @ 12.2 g/t Au and 15m @ 10.10 g/t Au at the Kuzey Zone and 12m @ 2.5 g/t gold at the Guney Zone.

Activities During the Quarter

A 3000m RC drill program operated and funded by JV partner Teck Anadolu Madencilik Sanayi v. Ticaret A.S. ("Teck") a Turkish subsidiary of Teck Resources Limited, commenced immediately post the quarter at Kavaklitepe consisting of 2000m of infill drilling at the Kuzey zone to follow-up on results from the 2018 drill program that returned thick high-grade gold intersections including: **21m @ 3.29 g/t Au within 26m @ 2.89 g/t, 14m @ 6.09 g/t Au and 8m @ 2.29 g/t Au** (ZNC ASX Release 11th December 2018). A further 1000m of drilling at the Discovery and Guney Zones will test bedrock targets where rock traverse sampling along drill access tracks during the quarter returned gold results, including: **8m @ 1.77 g/t Au, 8m @ 1.74 g/t Au, including 4m @ 3.17 g/t Au**. Reporting cut-off criteria and associated JORC tables for the recent rock traverse sampling are the same as those included in ASX release dated 11th December 2018.

The 2018 RC drill results are in addition to continuous surface rock samples taken along access tracks constructed for the RC drill program that returned: **10m @ 12.2 g/t Au, 44m @ 3.37 g/t Au, 15m @ 10.10 g/t Au and 6.5m @ 5.18 g/t Au** (ASX Release 11th December 2018) and to 2016 diamond drill results that included: **16m @ 4.73 g/t Au** in KT-09 (fresh rock), **9m @ 5.25 g/t Au** in KT-02 and **7.8m @ 7.34 g/t Au** in KT-03 (surface oxide zone).

The 2018 RC drill program has successfully defined gold mineralisation over the length of the 900-metre-long Kuzey Prospect (Figures 6, 7, 8 and 9).

Zenith has endorsed the Q2 joint venture technical work program but has elected not to contribute to the drill program and will dilute its 30% interest in the joint venture company in accordance with the joint venture agreement. Upon receipt of drill results from this RC program Zenith will review its position with respect to future budget contributions.

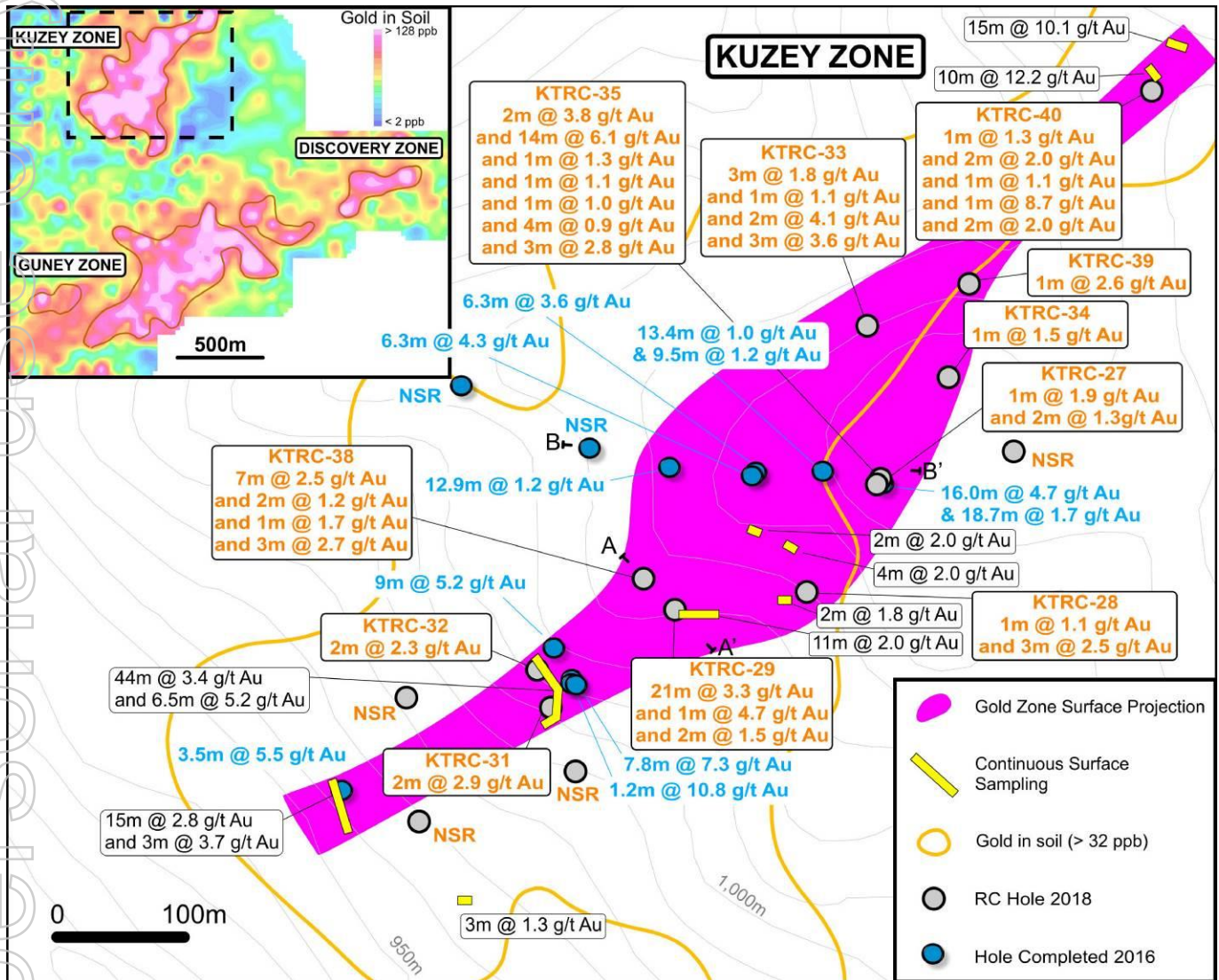


Figure 6: Kuzey Zone Drill Hole Locations, Gold Intersections & Location of Cross Sections (A-A' & B-B') (Results in orange are from the 2018 RC program, those in blue from 2016 DD program)

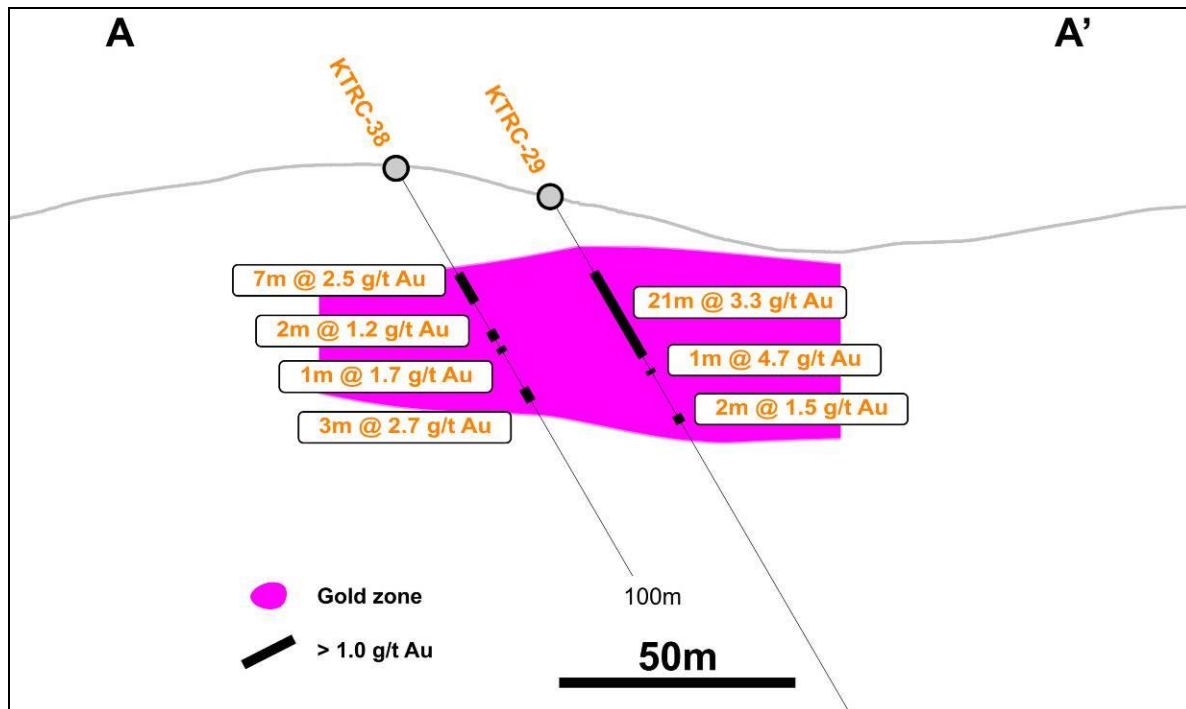


Figure 7: Kuzey Zone Preliminary Cross Section A-A'– (Refer to Figure 1 for Location of Cross Section)

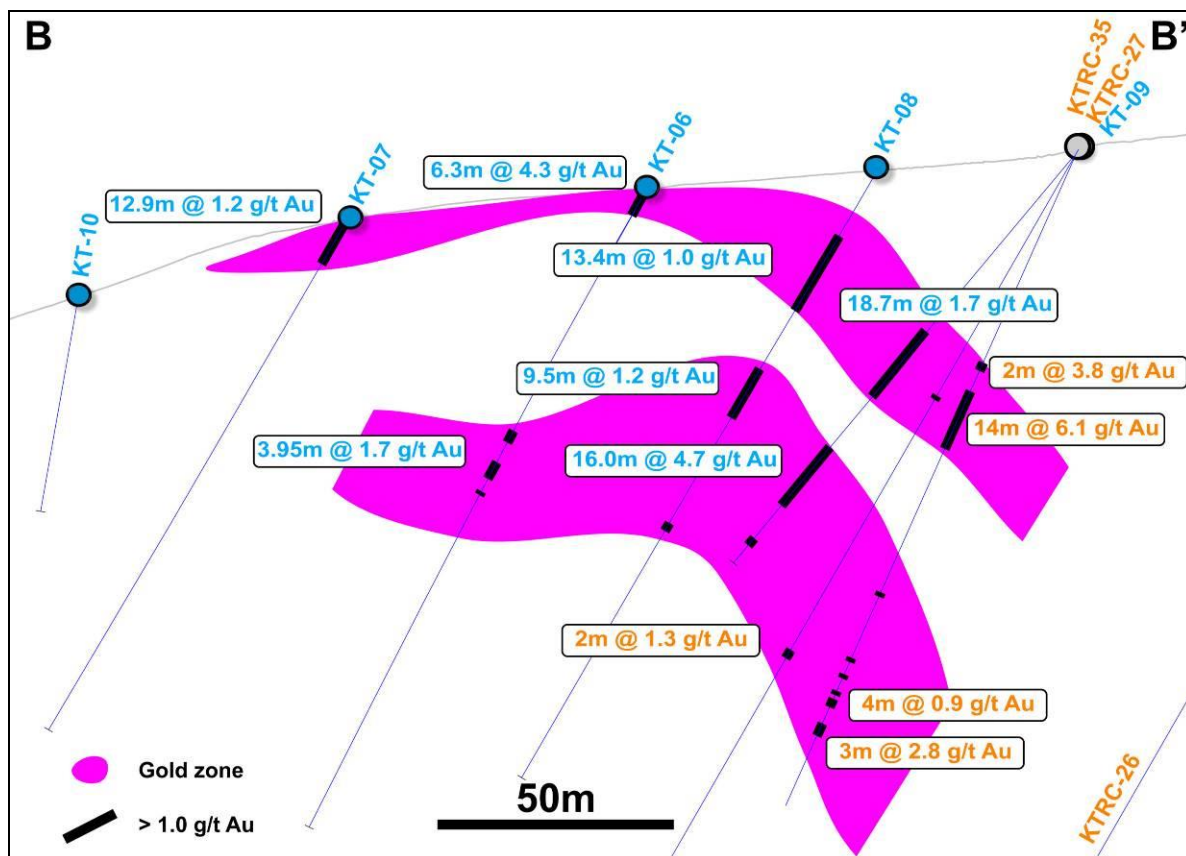


Figure 8: Kuzey Zone Preliminary Cross Section B-B'– (Refer to Figure 1 for Location of Cross Section)

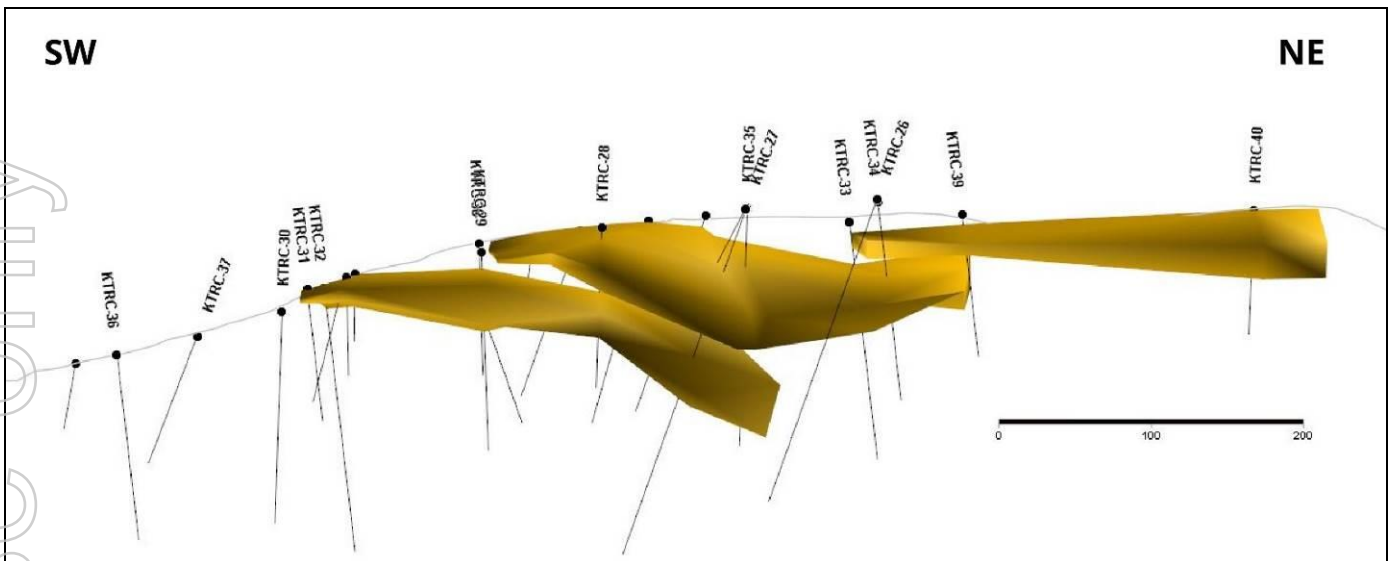


Figure 9: Kuzey 3D View of Gold Zones Looking North West (Preliminary Interpretation)

Background

Kuzey Zone

Drilling completed in 2016 (11 holes, (KT-01 to KT-11, including KT-06A)) provided an initial wide spaced test of only 360m of the 900m by 250m wide Kuzey Zone gold-in-soil anomaly target (Figure 8).

Better intersections from that program that are considered close to true width of high-grade, near surface, gold mineralisation (previously reported) include: KT-01; **3.5m @ 5.5 g/t Au** from surface, KT-02; **9.0m @ 5.2 g/t Au** from surface, KT-03; **7.8m @ 7.3 g/t Au** from 3.3m depth, KT-05; **1.2m @ 10.8 g/t Au** from 14.7m, KT-06; **6.3m @ 4.3 g/t Au** from surface, KT-06A; **6.3m @ 3.6 g/t Au** from surface and KT-07; **12.9m @ 1.2 g/t Au** from surface.

Deeper drill results previously reported (5th October 2016) from the Kuzey Zone include: hole KT-09; an overall 67.7m gold mineralised zone from 46.2 to end of hole at 113.9m (true width unknown) including several zones of higher grade: **18.7m @ 1.7 g/t Au** from 50.2m, **16.0m @ 4.7 g/t Au** from 82.1m, (including **8.0 m @ 7.1 g/t Au**) and **8.8m @ 1.0 g/t Au** with the drill hole ending in mineralisation at 113.9m and hole KT-08; an overall 76.0m mineralised zone from 12.5m to 88.5m including: **13.4m @ 1.0 g/t Au** from 16.1m, **1.5m @ 1.3 g/t Au** from 33.0m, **2.0m @ 3.0 g/t Au** from 48.8m, and **9.5m @ 1.2 g/t Au** from 56.8m.

Reporting cut-off criteria and associated JORC tables are included in ASX release dated 22nd December 2016.

Discovery and Guney Zones

2016 drilling at the Discovery Zone (2 holes (KT-18A and KT-23) intersected gold mineralisation over a 23.5m interval from 22.5m to 46.0m depth with results including: **9.4m @ 1.5 g/t Au** and **3.5m @ 2.1 g/t Au** (true width intervals). The near surface gold mineralisation dips to the northwest and is 60m down dip of previously reported continuous roadside surface sample results that include: 21.0m @ 2.7 g/t Au and 27.0m @ 1.4 g/t Au (Figure 10). The roadside sampling was conducted as an initial test of the 400m long gold-in-soil anomaly at the Discovery Zone.

The new **Discovery Zone** gold mineralisation remains open to the northeast and southwest and is open down dip. A second drill hole 275m southwest along strike where surface rock chip samples returned up to 2.4g/t Au, intersecting 1.3m @ 1.3 g/t Au within a 17.9m wide altered zone from 17.5m to 35.4m with associated anomalous silver, arsenic and antimony.

Drilling at the **Guney Zone** (11 holes, (KT-12 to KT-17 & KT-19 to KT-22 & KT-24 to KT-25)) has been technically difficult, intersecting a thick, flat-lying, massive sequence of calc-silicate rocks which contained multiple underground cavities up to 4 metres deep that caused several holes to fail at shallow depths and provided locally only very poor diamond drill core sample recoveries. Hole KT-12 returned 1.2m @ 1.4g/t Au from 12.5m and 1.3m

@ 0.6g/t Au from 17.2m before being abandoned in a cavity and drill hole KT-21 drilled on the northern part of the prospect intersected a wide zone (30.7 m) of silicified and altered breccia crosscutting a meta-siltstone rock sequence from 54.9m to 85.6m with associated higher concentrations of trace elements arsenic, antimony and silver more similar to those returning significant gold intersections at the Kuzey and Discovery zones.

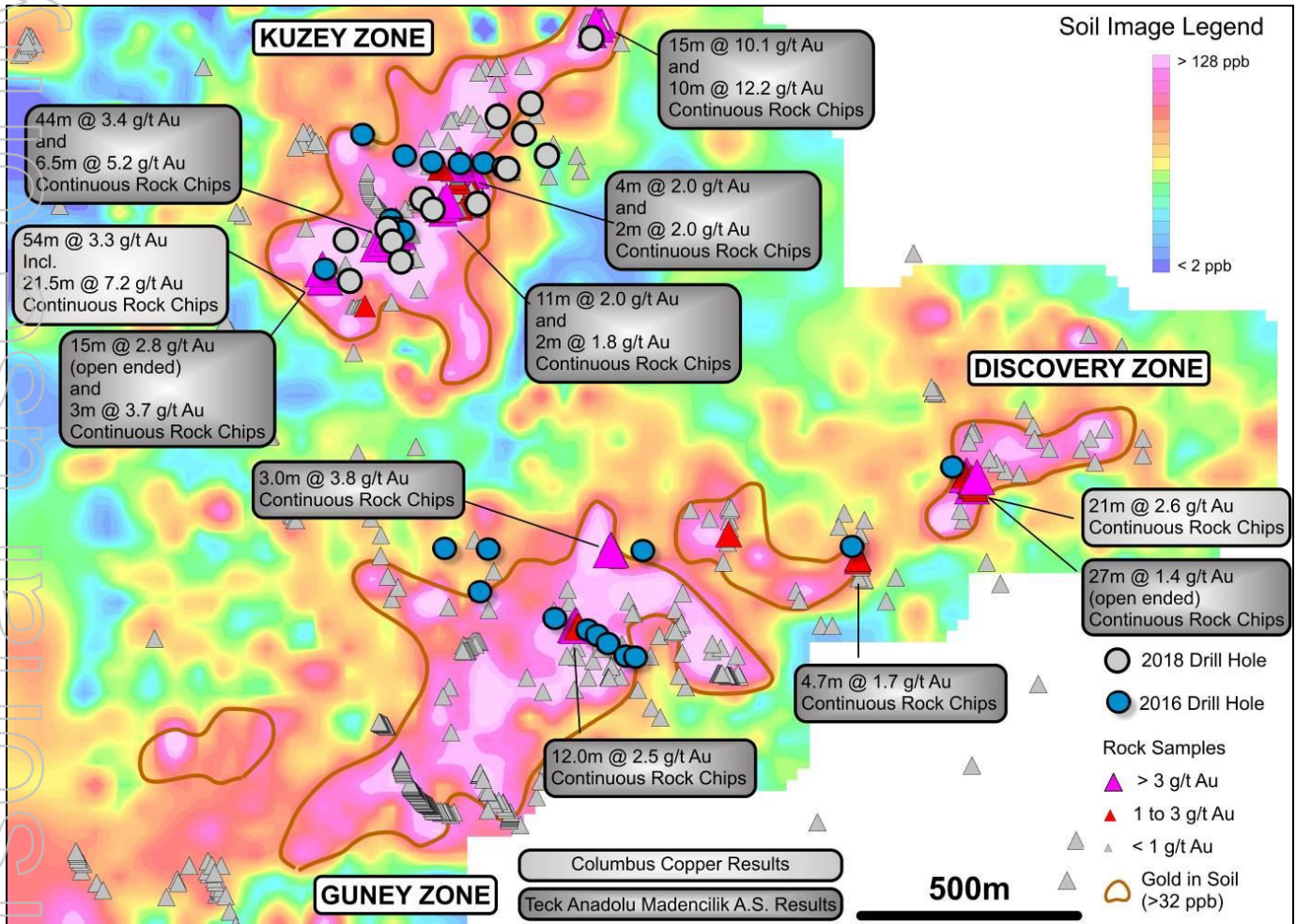
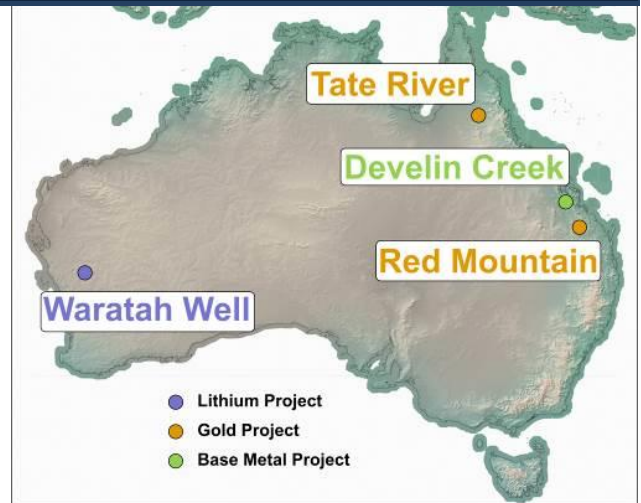


Figure 10: Plan Showing Kavaklıtepe Project Gold Geochemistry

OTHER AUSTRALIAN EXPLORATION PROJECTS

The Company is continuing to explore projects that possess strong technical merit. The Company's focus is advancing its project portfolio of high-quality lithium, gold and base metals projects.



DEVELIN CREEK COPPER-ZINC-GOLD-SILVER PROJECT – QUEENSLAND (Zenith 100%)

- Inferred Mineral Resource (JORC 2012) of: 2.57Mt @ 1.76% copper, 2.01% zinc, 0.24g/t gold and 9.6g/t silver (2.62% CuEq) released to ASX on the 15th February 2015.
- Upside to resource grades with Zenith RC hole twinning previous 1993 percussion hole returning significantly higher copper, zinc, gold and silver grades (300% to 700% higher);
- Initial metallurgical testwork results show positive first stage “rougher” recoveries of 90%;
- Highly prospective host rock extends for up to 50km north - south in Develin Creek tenure;
- New zinc soil anomalies defined in Jan 2019 – require field assessment;
- Drilling planned to test new targets and twin historical potentially ineffective drill holes.

Activities During the Quarter

No field work this quarter.

Planned Activities

Field follow-up and assessment of the new zinc soil anomalies reported in the previous quarterly report (to 31st December 2018) (Figure 11) is planned.

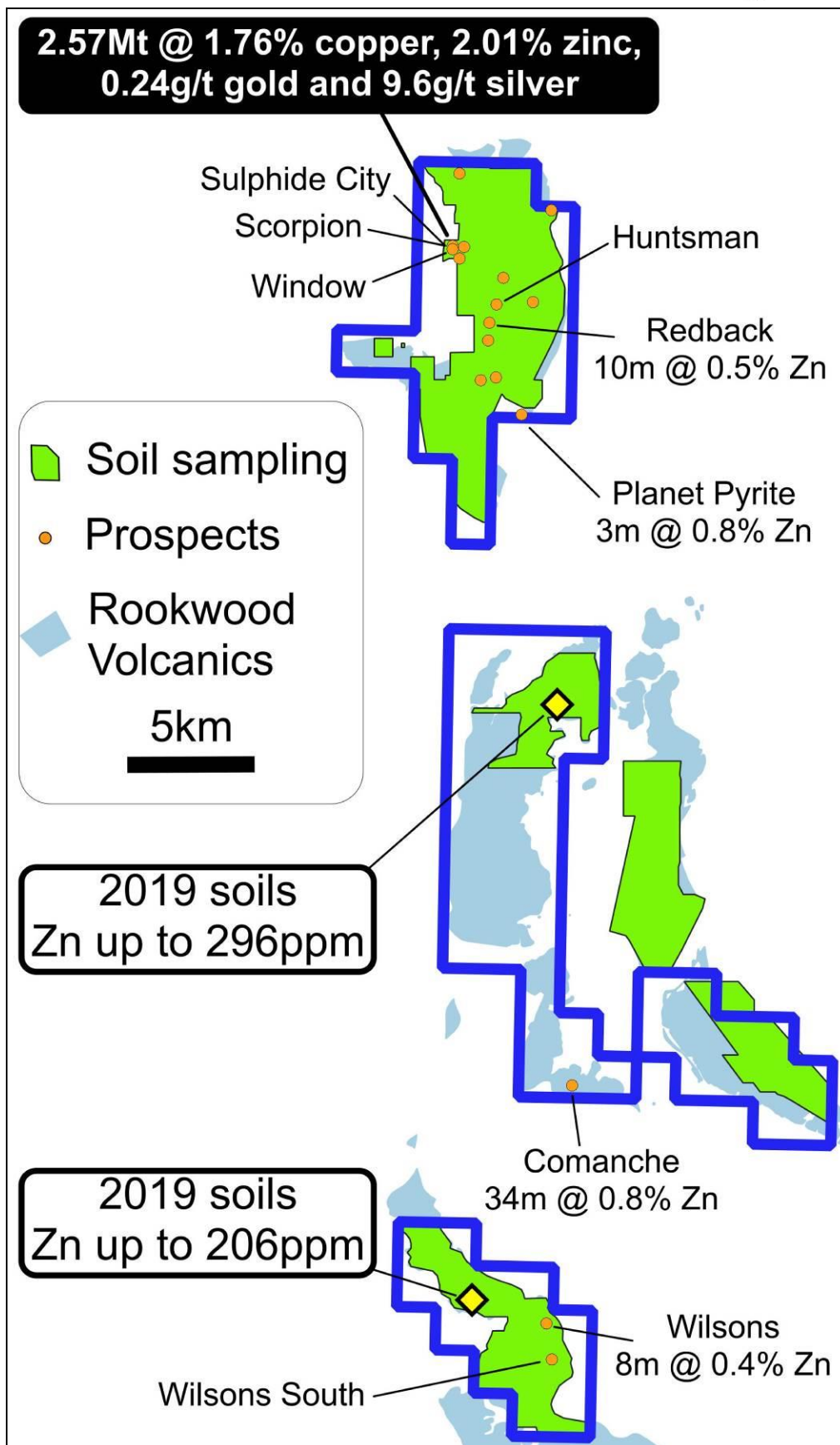


Figure 11: Develin Creek Prospects and New Geochemical Anomalies

TATE RIVER GOLD PROJECT – QLD (Zenith Earning up to 70%)

- Widespread bedrock gold mineralisation confirmed by Zenith excavator trenching program at the Guppy Strike prospect: with results including: 5m @ 3.92g/t Au, 3m @ 1.72 g/t Au, 3m @ 1.09 g/t Au and 2m @ 0.82g/t Au. Wide zones of strongly anomalous gold i.e. Trench GT12 (entire length average 166m @ 0.14g/t Au) indicate large scale gold mineralised system.
- Setting and geochemical association is indicative of an intrusion related gold system. Nearby deposits of this type include Mungana / Red Dome gold mine that had gold endowment of 2.7Moz Au.
- The Company commenced assessing the large gold prospective land-holding as part of the wider Tate River project area, including:
 - North East Target – rock chip samples to 2.1 g/t Au with associated high arsenic and antimony in colloform banded quartz veins and quartz breccia hosted by rhyolite, and schist whilst wide spaced (400m x 100m) soil sampling returned high-order gold results up to 0.2g/t gold;
 - Far North prospect rock samples up to 1.7g/t gold also with strong arsenic & antimony hosted in quartz veins; and
 - Guppy Strike West – rock samples to 1.17g/t gold in association with strong bismuth & tellurium.

Activities During the Quarter

The Company is seeking a joint venture partner to advance this large prospective land-holding (Figure 12).

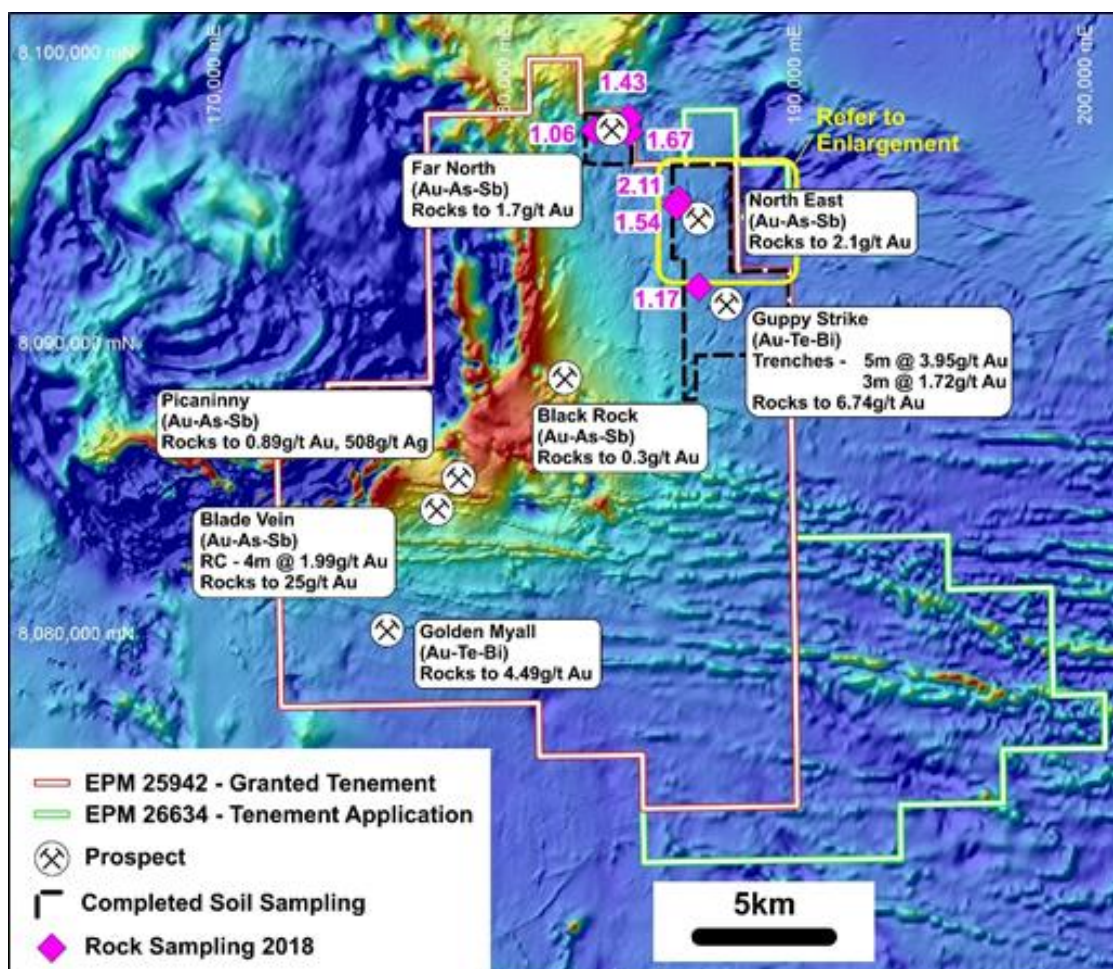


Figure 12: Tate River Prospect Locations and North East & Far North Targets

RED MOUNTAIN GOLD-SILVER PROJECT – QLD (Zenith 100%)

- Initial reconnaissance field work by Zenith returned highly encouraging silver and gold rock chip sample results up to 114 g/t silver and 0.69 g/t gold;
- 1km long, high-order (>100 ppb) silver soil geochemical anomaly confirmed with results up to 1 g/t silver. Open ended silver soil anomaly provides target scale and immediate follow-up opportunity;
- Mineralisation hosted in felsic volcanic sequence that has not been previously recognized in this area and does not appear on regional government geological maps.

Activities During the Quarter

Nil this quarter.

Planned Activities

Follow-up mapping and sampling to define the extents of the gold-silver mineralisation is planned along with trenching to test the true thickness of the poorly exposed gold-silver zones and to track mineralisation where it extends beneath shallow soil cover to the southwest is planned.

WARATAH WELL LITHIUM-TANTALUM PROJECT – WA (Zenith 100%)

- Waratah Well Project covers area of extensive outcropping pegmatites (3km x 2km) in area where no reported previous exploration for lithium;
- Widespread, high-grade tantalum up to 1166ppm Ta₂O₅ and lithium up to 1.75% Li₂O (ZNC ASX release - 27/04/18);
- Initial tantalum deportment study confirms the potential for a marketable tantalum product;
- Conceptual lithium target beneath tantalum bearing pegmatites.

Activities During the Quarter

Nil this quarter.

Planned Activities

The Company is seeking a partner to progress the evaluation and potential development of this high-grade tantalum opportunity.

JOINT VENTURES & OPTIONS ON ZENITH PROPERTIES

The company has continued to implement its strategy of being an exploration project generator. Projects are either advanced by the Company's experienced team applying innovative exploration techniques or by partners who have the technical and financial capability, depending on how the Board believes shareholders' best interests are served.

The company has three projects optioned to partners:

- Earacheedy Zinc;
- Vivash Iron; and
- Talga Fault Cobalt



EARAHEEDY ZINC PROJECT – WA (Zenith 100%, ASX: RTR option to acquire 75%)

- Wide spaced drilling defined stratiform zinc and lead mineralisation over 20km of strike within carbonate sediments of the Earaheedy Basin in Western Australia.
- Historical drilling intercepted high-grade zinc up to 18.6% within an intersection 3.3m @ 11.2% Zn, and 0.93% Pb from 150m. Other drill-holes include 2m @ 8.23% Zn and 2.77% Pb from 103m.
- Coarse grain sphalerite (Zn) and galena (Pb) with pyrite and marcasite occurs as breccias, veins and replacement zones within carbonates.
- Mineralisation style like Mississippi Valley Type (MVT) large, high-grade base metal deposits that include the Devonian Lennard Shelf deposits of the Kimberley Region of Western Australia.
- Gravity survey outlined several non-magnetic and non-topographic related gravity anomalies and trends that lies close to both northwest (basement faults) and northeast (cross faults) that provide potential new target zones structures;
- Drill testing in progress – commenced 10th April 2019.

Activities During the Quarter

Immediately post the quarter – drilling commenced at the **Earaheedy Zinc** project ZNC ASX Release dated 10th April 2019). Drilling will test high-order gravity targets outlined by Zenith's partner Rumble Resources Limited (RTR) that are associated with widespread (20km x 3.5km) zinc mineralisation defined by historic drilling. Better historic drill intersections include: **11.3m @ 4.34% zinc including 2.3m @ 14.42% Zn, 1.15% Pb** from 150.2m.

The target style for the Earaheedy Zn project is considered Mississippi Valley Type (MVT) with economic sphalerite – galena mineralisation hosted in high to moderate angle fault/fault breccia.

Planned Activities

Completion of drill program.

Rumble Resources Limited Transaction

An option agreement was executed with Rumble Resources Limited (RTR) over the Earaheedy Zinc project, as announced to the ASX by RTR on the 12th October 2017. Zenith received RTR shares worth \$50,000 as an initial option payment. RTR may purchase a 75% interest in the Earaheedy Zinc project for \$550k in shares within 2 years, subject to a 2-year extension (for a further payment of \$200k cash/shares at ZNC's election). Upon exercise of option to purchase the Earaheedy Zinc project by RTR, ZNC is then free carried at 25% to the end of a BFS.

VIVASH GORGE IRON PROJECT – WA (ZENITH 100%, OPTION TO RTX)

- The Vivash Gorge project covers areas of prospective Brockman and Marra Mamba iron formations along strike of Rio Tinto Iron Ore's Brockman 4 operating iron ore mine in the Pilbara region of Western Australia.
- RTX planning to drill test in 2019.

Activities During the Quarter

Heritage clearance received for 17 potential drill pads and associated access tracks. Rio Tinto Exploration Pty Ltd (RTX) arranging pastoral station access.

Planned Activities

Planning of drill program and associated earthworks with initial RC drill program planned for the 2019 field season (likely in the September quarter) to test a concealed Brockman iron ore target.

Background on Vivash Gorge Iron Project

The Vivash Gorge Iron Project (exploration licence E47/3071) is situated approximately 80km west of Tom Price in the Pilbara region of Western Australia. The project covers approximately 8km of strike of prospective Brockman and Marra Mamba iron formations along trend of Rio Tinto Iron Ore's Brockman 4 operating iron ore mine.

Option Terms

- RTX paid Zenith an initial option fee of \$50k for a 1-year option period (post land access, including heritage clearances) to exclusively explore the Vivash Gorge iron project;

- RTX able to extend the option period by a further 2 years by paying Zenith \$50k/annum;
- RTX able to exercise option to acquire 100% of the Vivash Gorge iron project before the end of the option period by paying Zenith a once off cash payment of \$500k;
- RTX to pay a success fee to Zenith of a further \$1.0m when RTX expends more than \$7.5m on the Vivash Gorge iron project, excluding tenement rents, rates & native title related costs;
- Should RTX on-sell the Vivash Gorge project to a third party within 5 years of acquiring it, an on-sale payment of 10% of the consideration would be payable to Zenith; and other terms and conditions that are of an industry standard nature.

TALGA FAULT COBALT PROJECT – WA (ZENITH 100%, OPTION TO ASX:GPP)

- The Talga Fault project covers areas prospective for cobalt mineralisation.
- Historic surface sampling returned up to 0.80% cobalt.
- Airborne VTEM geophysical anomalies associated with targets.

Activities During the Quarter

During the quarter Greenpower (ASX:GPP) identified 3 primary VTEM geophysical targets from recently acquired historic airborne VTEM data that covers half of exploration licence 08/2966 (ZNC-GPP ASX Release 26th February 2019).

Planned Activities

Processing and interpretation of the VTEM data has identified several other discrete late time EM anomalies and these along with the three primary targets discussed above will be ground checked soon along with historic cobalt-copper rock chip and soil sample anomalies.

Background on Talga Fault Cobalt Project

The Ashburton cobalt project area is focused on the northern limit of the Bangemall Basin, around the Talga Fault where the basin abuts the Ashburton Basin. Historic exploration activities in 2008 – 2009 reported anomalous cobalt values adjacent to the Talga Fault zone (Figure 13), including:

- E08/3018 – 13 blocks, cobalt results to 0.52%
- E08/3019 – 2 blocks, cobalt results to 0.28%
- E08/3020 – 4 blocks, cobalt results to 0.17%
- E08/2966 – 52 blocks, cobalt results to 0.80%

In addition, historic exploration data on E08/2966 has outlined strong surface cobalt anomalies occurring in both Collier and Edmund Basins. These soil anomalies overlie interpreted carbonate and sedimentary rock units and interpreted Kulkatharra Dolerite where it intrudes the Talga Fault Zone (GPP ASX Release 30th October 2018).

Option Terms

- \$60k cash up-front, non-refundable for a 1-year option to purchase 70%;
- Can extend for further 1 year for an additional \$30k cash & \$30k scrip;
- Can extend for a further 2 years for \$150K cash or scrip at Zenith's election.
- \$100k minimum expenditure, keeping the project in good standing
- Ion can exercise the option and purchase the 70% interest for \$300K in scrip at any time during option period.
- Zenith can then convert remaining 30% to GPP equity or contribute on a pro rata basis.

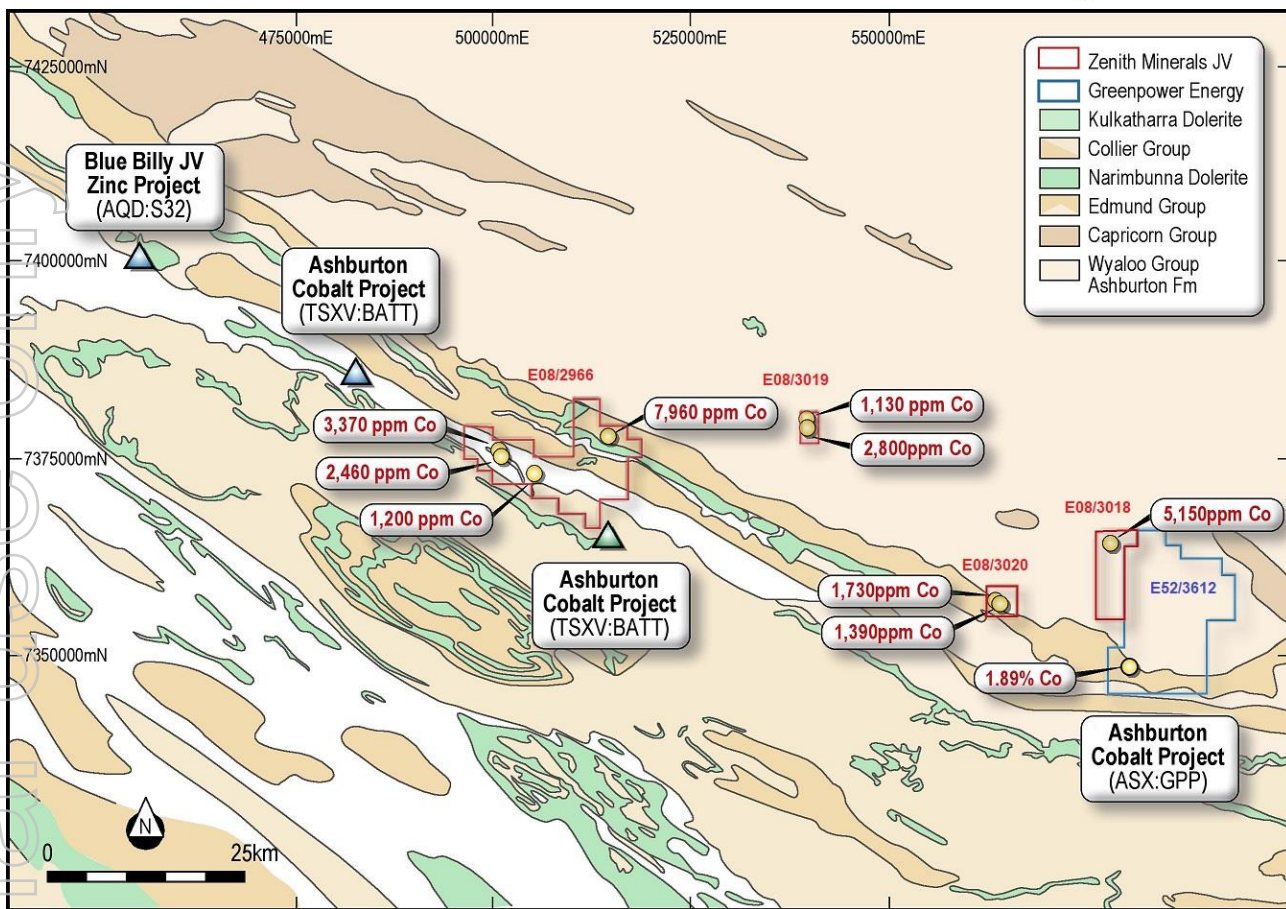


Figure 13: Ashburton Project Location

MINERAL RESOURCES IN RETENTION

The Company has secured retention licences over the Earraheedy Manganese and Mt Alexander Iron deposits. The retention licence/status allows Zenith to hold the Mineral Resources but negates any ongoing Department of Mines statutory annual expenditure requirements for those licences for an extended period.

The Company regularly assesses the iron and manganese market conditions to determine if a development review of these assets is warranted.



MT ALEXANDER IRON PROJECT – WA (Zenith 100%)

Magnetite iron ore Mineral Resources are retained under retention licences pending an improvement in market conditions. Refer to the Company's website www.zenithmineralsl.com.au for further details.

EARAHEEDY MANGANESE PROJECT – WA (Zenith 100%)

Manganese Mineral Resources at Red Lake and Lockeridge are retained under retention licences pending an improvement in market conditions. Refer to the Company's website www.zenithminerals.com.au for further details.

NEW OPPORTUNITIES

Refer to section in this report on the American lithium JV.

CORPORATE

Nil

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Zenith Exploration Results and Exploration Targets is based on information compiled by Mr Michael Clifford, who is a Member of the Australian Institute of Geoscientists and an employee of Zenith. 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.

The information in this Report that relates to in-situ Mineral Resources at the Develin Creek project is based on information compiled by Ms Fleur Muller an employee of Geostat Services Pty Ltd. Ms Muller takes overall responsibility for the Report. She is a Member of the AusIMM and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity she is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). Ms Muller consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Zenith's Red Lake Earahedy project is based on information compiled by Mr Dmitry Pertel, a Competent Person who is a fulltime employee of CSA Global Pty Ltd and a member of the Australian Institute of Geoscientists (AIG). Mr Pertel has sufficient experience 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 Mineral Resources and Ore Reserves". Mr Pertel consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Zenith's Lockeridge - Earahedy project, Mt Alexander project and Mt Alexander West project is based on information compiled by Mr Rodney Michael Joyce, a Competent Person who is a director of the Company and a Member of the AusIMM. Mr Joyce has sufficient experience 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 Mineral Resources and Ore Reserves". Mr Joyce consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this report that relates to Zenith Exploration Targets at Mt Alexander is based on information compiled by R M Joyce, who is a director of the Company and a Member of the AusIMM. Mr Joyce 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 Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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.



Zenith Minerals Limited

23rd April 2019

For further information contact;

Directors Michael Clifford or Mike Joyce

Phone 08 9226 1110

For personal use only

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Zenith Minerals Limited

ABN

96 119 397 938

Quarter ended ("current quarter")

31 March 2019

| Consolidated statement of cash flows | Current Quarter \$A'000 | Year to Date (9 months) \$A'000 |
|---|-------------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 6 | 139 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (104) | (669) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (125) | (447) |
| (e) administration and corporate costs | (52) | (290) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 3 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | (12) | (12) |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (286) | (1,276) |

| | | |
|--|-----|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | (8) |
| (b) tenements (see item 10) | (1) | (7) |
| (c) investments | - | (141) |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current Quarter \$A'000 | Year to Date (9 months) \$A'000 |
|--------------------------------------|---|-------------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | 11 |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1) | (145) |

| | | | |
|-----------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|-----------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,346 | 2,450 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (286) | (1,276) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1) | (145) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | (3) | 27 |
| 4.6 | Cash and cash equivalents at end of period | 1,056 | 1,056 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances | 1,041 | 1,331 |
| 5.2 Call deposits | 15 | 15 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,056 | 1,346 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 70 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Reimbursement to directors of administration and exploration expenses incurred on behalf of the Company and for the payment of director services.

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | | |
| 8.2 Credit standby arrangements | | |
| 8.3 Other – Credit Card Facility | 15 | 0 |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

Credit Card Facility with ANZ bank which is secured by a term deposit with a right of set off to the total limit of the credit card facility.

Mining exploration entity and oil and gas exploration entity quarterly report


| 9. | Estimated cash outflows for next quarter | \$A'000 |
|-----|--|------------|
| 9.1 | Exploration and evaluation | 150 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | 130 |
| 9.5 | Administration and corporate costs | 70 |
| 9.6 | Other (provide details if material) | - |
| 9.7 | Total estimated cash outflows | 350 |

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | - | - | - | - |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | - | - | - | - |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 (Director /Company secretary)

Date: 23rd April 2019Print name: **Melinda Nelmes****Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.