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29 October 2019

Dear Shareholder

NON-RENOUCEABLE ENTITLEMENT OFFER – NOTIFICATION TO ELIGIBLE SHAREHOLDERS

On 28 October 2019 Zenith Minerals Limited (**Company**) announced a capital raising to raise approximately \$1.95 million (before costs) through a non-renounceable entitlement offer of 1 (one) fully paid ordinary share (**New Share**) for every 6 (six) existing shares to shareholders with a registered address in Australia, New Zealand, Singapore, Switzerland or the United Kingdom (**Eligible Shareholders**) held as at 5.00pm (AEDT) on Thursday, 31 October 2019 (**Record Date**) (**Offer** or **Entitlement Offer**).

The Offer will be made by the Company pursuant to an offer document in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (**Offer Document**) to be sent to shareholders on or about Tuesday, 5 November 2019.

Details of the Offer

Pursuant to the Offer, the Company will issue approximately 35,519,116 New Shares at an issue price of \$0.055 per New Share to raise approximately \$1.95 million before costs. The New Shares will rank equally in all respects with the Company's Existing Shares. The Company has applied to the ASX for quotation of the New Shares.

If you are an Eligible Shareholder, you will be able to subscribe for 1 (one) New Share for every 6 (six) existing shares held on the Record Date (**Entitlement**).

Eligible Shareholders who choose not to take up their Entitlement will receive no value in respect of their Entitlement and their shareholding in the Company will be diluted. Shareholders who are not Eligible Shareholders are "Ineligible Shareholders" and are consequently unable to participate in the Offer.

Use of funds

The Company intends to apply the proceeds from the Offer to provide funding for:

- advancing its portfolio of gold, copper-zinc, lithium and rare earths exploration projects;
- general working capital;¹ and
- expenses of the Entitlement Offer.

Zenith's MD Mick Clifford commented "The recent strong gold results from our 100% owned Split Rocks in the Forrestania belt, and Red Mountain in Queensland warrant immediate follow up, along with continued work on lithium targets at Split Rocks, Waratah Well, and progressing our new wholly owned REE project in Wyoming. In conjunction with partner funded exploration particularly on overseas gold and lithium projects, additional funding through this offer should see shareholders exposed to considerable high-impact project activity in next 12 months.

Your directors have indicated their intention to participate in the entitlements offer and encourage you to consider carefully this opportunity to increase your holding through this discounted offer with no brokerage costs."

¹ General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

Timetables

The Company expects the Offer to be conducted in accordance with the following timetable:

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.

Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the capital raising is set out below, assuming the Offer is fully subscribed, and no existing Options are exercised.

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 Options	4,150,000

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Offer. Full details of the Offer will be set out in the Offer Document to be sent to shareholders shortly, together with a personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). A copy of the Offer Document may also be viewed on the ASX website.

Action required by Eligible Shareholders

Your Entitlement may have value and it is important you determine whether to (in whole or in part) take up or do nothing in respect of your Entitlement. If you take up your Entitlement, you can also apply for additional New Shares. Your Entitlement to participate in the Offer is non-renounceable and therefore will not be tradeable or otherwise transferable.

- For personal use only
- (a) **Take up your Entitlement:** If you wish to take up all or part of your Entitlement, you must follow the instructions in the Entitlement and Acceptance Form. Applications and application monies must be received by the Company's Share Registry by 5.00pm (AEDT) on Tuesday, 19 November 2019 (unless the offer period is extended by the Company).
 - (b) **Apply for additional New Shares:** If you take up your Entitlement in full, you can also apply for additional New Shares under the Shortfall Offer by completing the relevant section on the Application Form. Further information on applying for additional New Shares will be provided in the Offer Document and Entitlement and Acceptance Form.
 - (c) **Do nothing:** If you take no action, you will not be allocated New Shares, your Entitlement will lapse and those New Shares for which you would have otherwise been entitled under the Entitlement Offer may be dealt with in accordance with the manner prescribed in the Offer Document.

If you have any questions, please contact the Company's Share Registry, Security Transfer Australia, from the date the Offer opens being Tuesday, 5 November 2019 between 8.30am and 5.30pm (AEDT) on business days by calling from Australia: 1300 992 916 or from Overseas: +61 3 9628 2200.

The Company thanks you for your continuing support and looks forward to your participation in the Offer.

Yours faithfully

Michael Clifford
Managing Director
Zenith Minerals Limited

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