

11th May 2020

Maiden Drill Program Commenced at Red Mountain Gold Project, QLD

♦ Maiden 10 RC hole drill program commenced at the highly prospective 100% owned Red Mountain project to test compelling new gold target generated by Zenith;

♦ Drill target defined by:

- Geochemistry - 1200m long high-order gold anomaly with surface soil values including: 2.2g/t Au, 1.6 g/t Au, 0.56g/t Au and 0.33 g/t Au and gold in rocks to 2.0 g/t Au & 114 g/t Ag;
- Geology - Previously unknown felsic volcanic breccia complex;
- Geophysics - IP geophysical chargeability anomaly around breccia margin;
- Analogies to known deposits - Evidence of zoned system with geochemistry, like that documented at known third party owned QLD gold deposits such as Mt Wright & nearby Mount Rawdon Gold Mine

♦ Drilling anticipated to take approximately 2 weeks, with assays to follow a further 2 weeks later.

♦ Drill program is part of a wider gold focus, with field work planned on three 100% owned Australian gold projects in the next three months.

Zenith Minerals Limited ("Zenith" or "the Company") is very pleased to advise that following an initial delay due to COVID-19, it has commenced drilling at the Company's 100% owned Red Mountain gold project in Queensland. This maiden drill program will test a robust, high-order gold target generated by Zenith's exploration team (Figures 1 & 2). The Red Mountain project is situated within ~100km of operating gold mines at Cracow and Mount Rawdon (Figure 3). In relation to COVID-19 Zenith's Board is mindful of the significant impact the virus is having on the community and is continuing to assess the potential risks associated with its activities. The Red Mountain project area is located on a remote grazing property where Zenith's crew & contractors will be isolated. The Company will continue to act on advice provided by Federal and State Government with the health and safety of Zenith's crew, contractors and local stakeholders a priority.



Corporate Details

ASX: ZNC

Issued Shares (ZNC)	243.4M
Unlisted options	5.6M
Mkt. Cap. (\$0.05)	A\$13M
Cash (31 st Mar 19)	A\$1.28M
Debt	Nil

Directors

Mike Joyce:
Non-Exec Chairman

Michael Clifford:
Managing Director

Stan Macdonald:
Non-Exec Director

Julian Goldsworthy:
Non-Exec Director

Graham Riley:
Non-Exec Director

Peter Bird:
Non-Exec Director

Major Shareholders

Directors	~16%
HSBC Custody. Nom.	12%
J P Morgan	6.1%
Miquilini	4.4%
Abingdon	4.2%

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A zone of surface gold and silver mineralisation has been discovered by Zenith at Red Mountain in a previously unrecognised felsic volcanic breccia complex comprising flow banded rhyolite radial dykes, rhyolite ring breccia as well as granite and gabbro breccias, first identified by Zenith's field team during initial sampling which returned rock chip results up to 0.69 g/t gold and 114g/t silver.

Further field work by Zenith to follow-up these results returned highly encouraging gold and silver rock chip sample results up to 2.01 g/t gold and 52.5 g/t silver about 800 metres north of the best results from initial sampling. In addition, systematic geochemical sampling outlined a large 2km by 1.5km zoned soil anomaly with peak soil gold result of 2.2 g/t Au, refer to ZNC ASX release 24 Sep 2019 and (Figures 1 & 2).

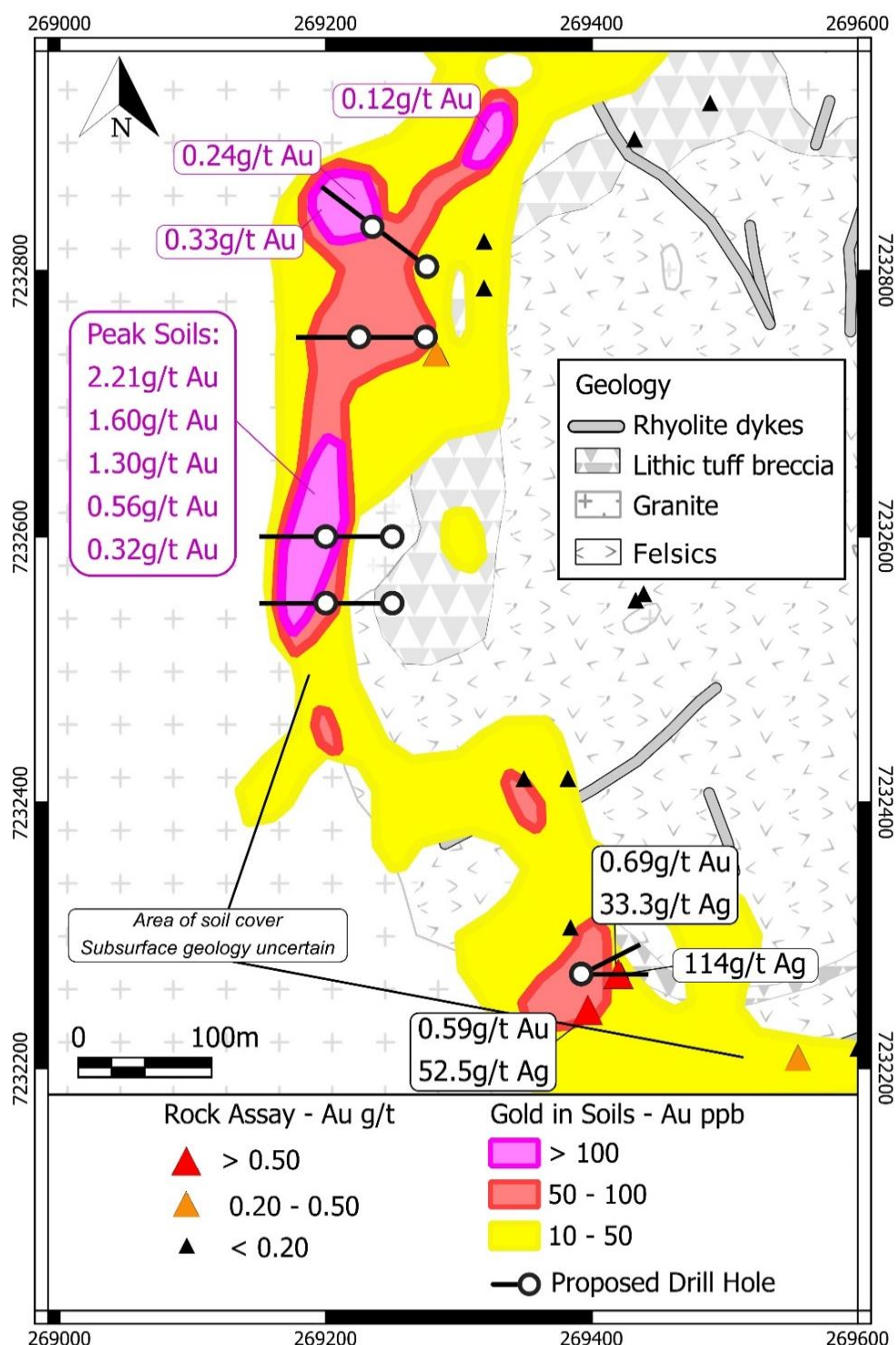


Figure 1: Red Mountain Project – Proposed Drill Holes & Gold Target



A geophysical survey completed at Red Mountain defined multiple medium strength chargeability (10mv/v) anomalies, likely to be caused by the presence of sub-surface disseminated sulphides or clay alteration zones, coincident with the margins of the felsic volcanic breccia complex as announced to the ASX on 25 Oct 2019.

An infill geochemical program completed to define the limits of the high-grade western gold zone outlined a robust drill target. High-grade soil results from the follow-up sampling up to 1300ppb Au (1.3 g/t Au) supported previous results of 2210 ppb Au (2.2g/t Au) 1600ppb Au, 550ppb Au and 320ppb Au define a 450m x 50m >100ppb Au gold soil anomaly, with the southern end of the anomaly grading >500ppb (0.5 g/t Au) over 150m of strike (ZNC ASX release 25th Nov 2019).

The high-grade surface gold results form a core to a much larger zone of gold anomalism (>10ppb Au) extending over an area 1200m x 150m on the western margin of the Red Mountain felsic volcanic breccia system.

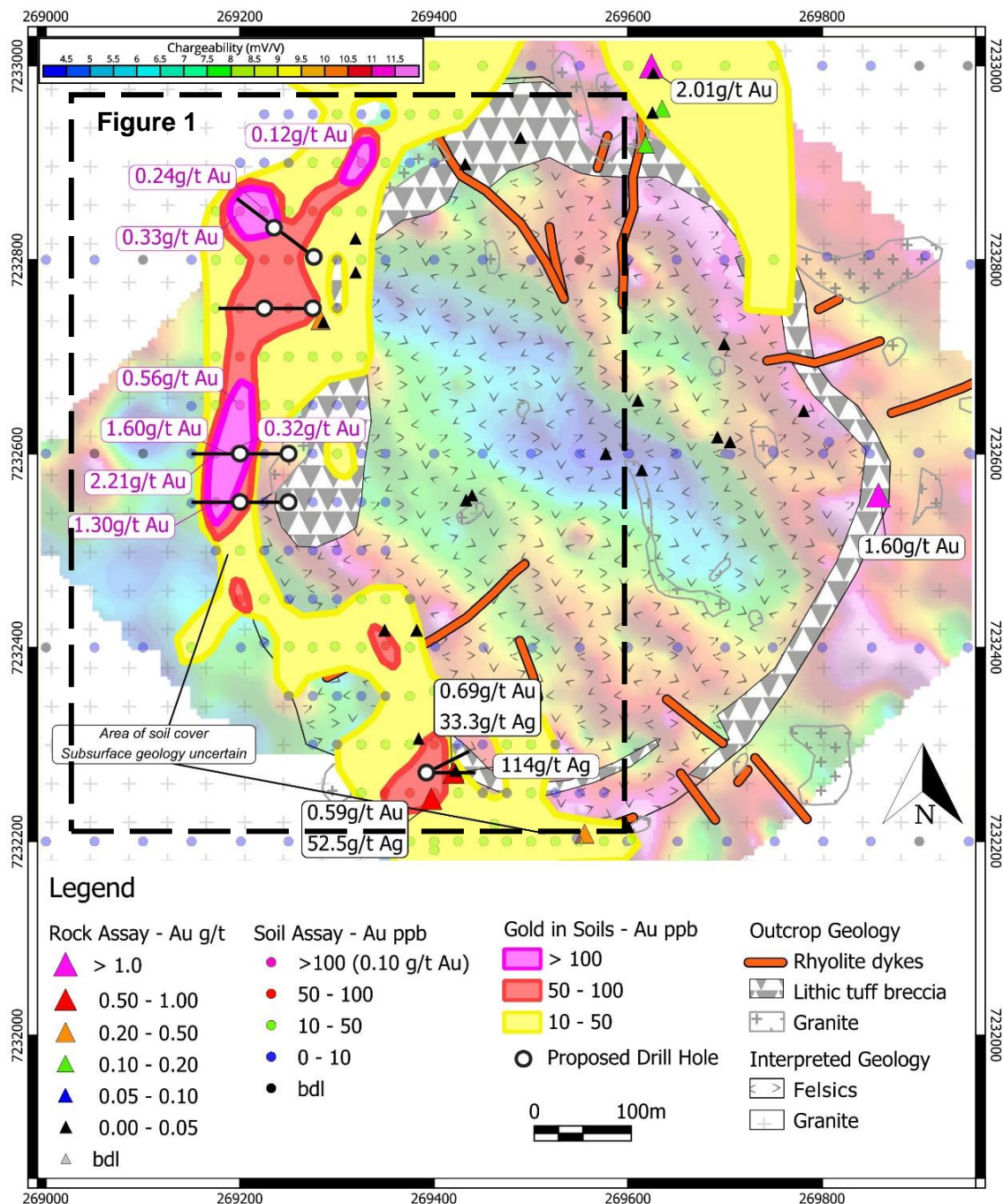


Figure 2: Red Mountain Project – Proposed Drill Holes & Gold Target



Background on Red Mountain

The Red Mountain project is located between two Evolution Mining gold mines Cracow and Mount Rawdon (Figure 3). Cracow is a low sulphidation epithermal gold deposit whilst Mount Rawdon is described in the literature as an epizonal intrusion-related gold deposit (Howard, 2015).

The Red Mountain host rocks, alteration and geochemical association are interpreted as having similarities to that at the nearby operating Mt Rawdon gold mine based on comparison to research published by Evolution Mining geologist Howard (2015) (Figure 4). The similarity is encouraging and provides Zenith with a geological model to assist in targeting gold and silver mineralisation at Red Mountain.

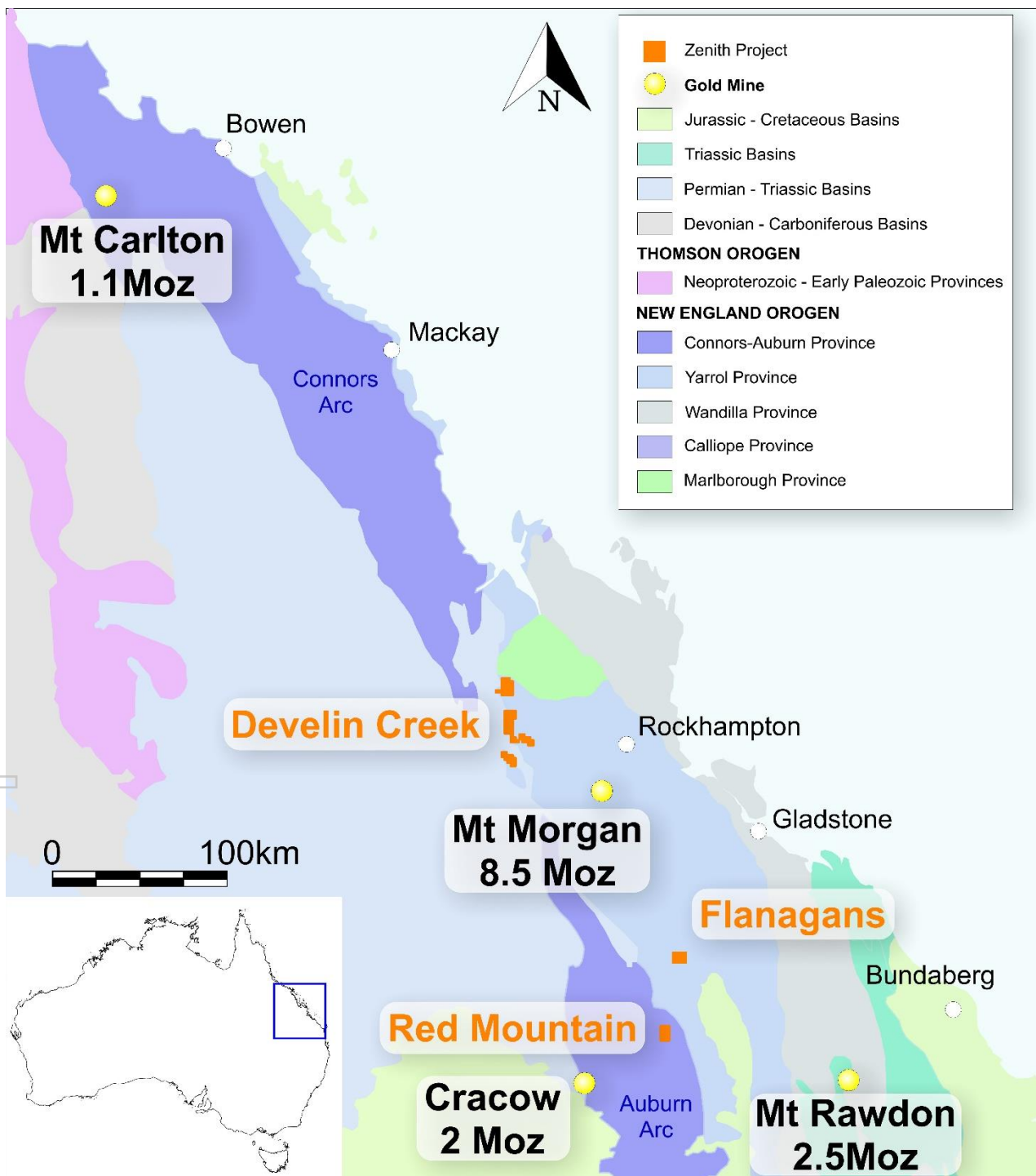


Figure 3: Red Mountain Project – Location Map

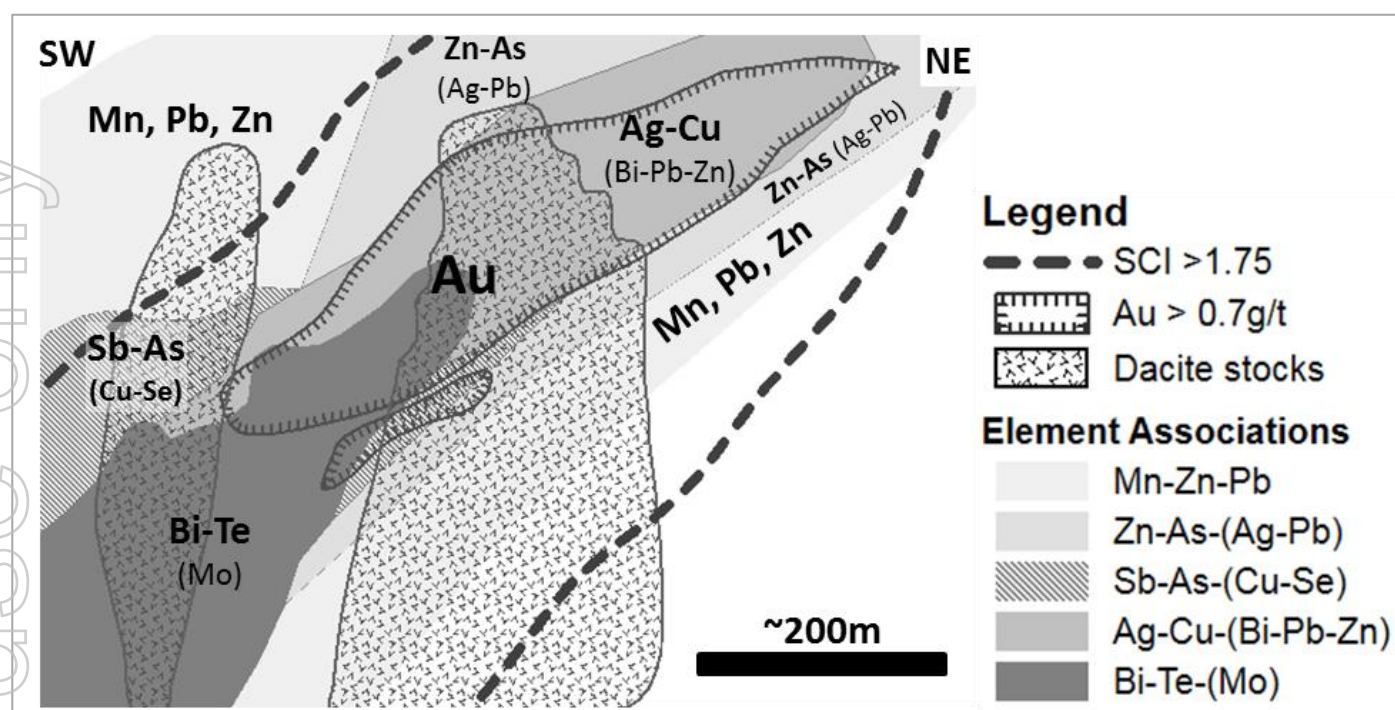


Figure 4: Simplified cross section through the Mount Rawdon gold deposit looking NE showing the zonation of pathfinder element associations (from Howard, 2015)

References

Howard., N. 2015: Geochemistry and Hydrothermal Alteration at the Mount Rawdon Gold Deposit. In Mineral Exploration of the Tasmanides www.smedg.org.au

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.

Authorised for release by the Zenith Minerals Limited Board of Directors – 11th May 2020

For further information contact:

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