

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 30th JUNE 2020

Zenith has a vision to build a gold and base metals discovery business with a team of proven project finders.

Focus is on 100% owned Zenith projects, whilst partners progress multiple additional opportunities using third party funds.

Corporate Details as at 30th June 2020

Zenith Minerals Limited (ASX:ZNC)

ABN:96 119 397 938

Issued Shares 294.4M

Unlisted options 9.6M

Mkt. Cap. (\$0.11) A\$32M

Cash (30th June 20) A\$0.97M

Share Issue July 20 A\$5.1M

(before costs)

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	~13%
HSBC Custody. Nom.	10%
J P Morgan	5.0%
Migulini	3.9%
Abingdon	3.5%

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PROJECT HIGHLIGHTS

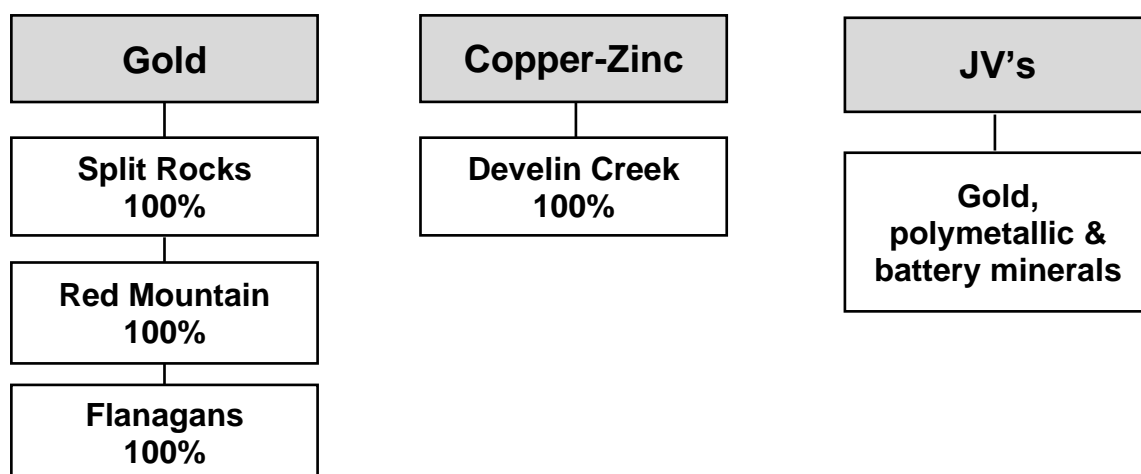
- Maiden drill program at Red Mountain Gold Project, Queensland (ZNC 100%) returned high-grade near surface gold mineralisation including: 14m @ 5.5 g/t Au from surface. Follow-up drilling recommenced post quarter end.
- 12 high-quality gold drill targets outlined on the north eastern portion of Zenith's Split Rocks Project Western Australia (ZNC 100%). Drill testing commenced immediately following the quarter.
- Develin Creek Copper-Zinc Project Queensland (ZNC 100%) – sampling returned high-grade copper (7.58% Cu) at surface defining the new Snook copper prospect, 30km south of current defined polymetallic JORC resources. Follow-up sampling completed - results awaited.
- Encouraging first pass geochemical results from new Flanagans Gold Project, Queensland (ZNC 100%). Further sampling completed – results awaited.

CORPORATE HIGHLIGHTS

- Zenith raised \$5.1 Million in a heavily oversubscribed placement to accelerate exploration with focus on its core gold projects
- The Company continues to manage its exploration activities based on COVID-19 advice from Federal and Government agencies.

SUMMARY OF ACTIVITIES AND RESULTS

Zenith Minerals has accumulated an extensive project portfolio broadly subdivided as follows:



CORE PROJECTS - HIGHLIGHTS

Red Mountain Gold – QLD (ZNC 100%)

Zenith's maiden 10 RC hole drill program (780 metres) at the Red Mountain Gold Project returned near surface high-grade gold results as announced to the ASX on the 17th June 2020. Results included:

- 14m @ 5.5 g/t Au incl 6m @ 12.3 g/t Au from surface;
- 5m @ 3.5 g/t Au incl 2m @ 8.0 g/t Au from 64 m depth;
- 12m @ 1.0 g/t Au from 42m depth incl 4m @ 2.1 g/t Au from 50 m depth, within broader mineralised interval of 56m @ 0.4 g/t Au from 6m depth.

The initial drill program is considered a significant success with highly encouraging gold results returned from only a portion of a larger target area. Drilling to date tests only 250m of strike of a 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;

Mineralisation at Red Mountain is considered by Zenith to be analogous to known gold deposits in Queensland. Evidence includes a zoned system with geochemistry like that documented at third party owned Queensland gold deposits such as Mt Wright which is located 65km east of Charters Towers and the nearby Mount Rawdon Gold Mine.

Drilling recommenced post-quarter end (refer to ASX Announcement 14th July 2020).

Planned Activities

A drill rig has now been made available to Zenith on a full-time basis and pending positive follow-up assay results the rig will work a continuous roster at Red Mountain over the coming months. Initial follow-up drill lines are shown on Figure 2 and dependant on results are likely to be expanded to test the full extent of targets.

Drilling recommenced post-quarter end (refer to ASX Announcement 14th July 2020).

Maiden drill program returned high-grade near surface gold mineralisation including: 14m @ 5.5 g/t Au from surface.

Follow-up drilling recommenced July 2020.

Split Rocks Gold Project – WA (ZNC 100%)

A major targeting exercise on the north eastern portion of Zenith's 100% owned Split Rocks project outlined 12 high-quality gold drill targets that warrant testing.

12 high-quality gold targets.

Zenith's targeting study identified several, large, high-order geochemical anomalies (defined by historic auger sampling maximum value 300ppb Au and a mix of Zenith & historic shallow RAB & aircore drilling) that:

1. have never been or were poorly drill tested,
2. extend over 18km of strike.
3. The anomalies are in several cases coincident with major fault structures and geological contacts that contain significant gold mineralisation along strike.

Drill testing commenced July 2020.

Of these 12 targets, 8 require first pass aircore drill testing, whilst a further 4 targets (12 in total) require follow-up RC drilling to test poorly explored open-ended gold zones such as 2m @ 6.5 g/t Au (end of hole).

Planned Programs

Immediately post quarter end, a +3000m aircore program commenced at Split Rocks to test an initial 6 of the 12 drill targets outlined in Zenith's review. At the time of writing assays are pending/awaited

Flanagans Gold – QLD (ZNC 100%)

Initial reconnaissance sampling by Zenith confirms high-grade gold, silver and copper at surface at the Flanagans prospect and nearby Great Blackall copper prospect. Rock sample results included:

- Flanagans – gold to 5.3 g/t Au, silver to 100 g/t Ag and copper to 8.0% Cu
- Great Blackall – gold to 3.4 g/t Au, silver to 273 g/t Ag and copper to 13.9% Cu

Encouraging first pass reconnaissance results

Surface sampling confirms the historically reported local high tenor of gold, silver and copper mineralisation at both the Flanagans and Great Blackall prospects and endorses requirement for further exploration activity.

Follow-up sampling commenced

Planned Programs

Further work including additional sampling, geological mapping and possible geophysical surveys is required to determine the significance of the surface geochemical samples at Flanagans. The mineralised zone is poorly exposed with outcrop dominated by surrounding relatively unaltered diorite. Follow-up field work commenced late in the quarter.

Develin Creek Copper-Zinc QLD (ZNC100%)

New copper prospect (Snook) identified 30km south of Zenith's current JORC resources. Prospect identified during regional systematic soil sampling campaign.

New copper prospect defined (Snook Prospect)

Initial single rock sample from malachite rich (copper-oxide) surface exposure returned very high copper 7.58% Cu.

Base metal and trace elements of 7.58% copper, 0.48g/t gold, 7.8g/t silver, 0.13% arsenic, 0.16% lead and 0.3% zinc are like those in rock samples taken at surface above the known copper-zinc resources.

First pass sampling returned 7.58% copper

Rock geochemistry signature typical of volcanic hosted massive sulphides (VHMS).

Geological reconnaissance mapping and soil sampling outline a 25m wide zone of gossanous sedimentary (bleached and sheared) rocks over 150m of strike that

occur as discrete units enclosed within basalt that are part of the prospective Rookwood Volcanics host sequence.

Planned Programs

Further mapping and sampling has been completed to better define a drill target at the Snook Copper Prospect - results are awaited.

Earaheedy Zinc JV – WA (ZNC 25% free carry to BFS)

Zenith Minerals (ASX: ZNC) joint venture partner Rumble Resources (ASX: RTR) that RC drilling has confirmed continuity of width and higher-grade Zn–Pb with Ag at the Chinook and Magazine prospects. The prospects are two shallow, flat lying, large-scale unconformity related sandstone hosted Zn-Pb-Ag discoveries made in January 2020.

Results included: 4m @ 7.36% Zn + Pb at Magazine and 4m @ 5.44% Zn +Pb at Chinook. Magazine and Chinook are 10.5km apart with the Zn-Pb-Ag mineralisation completely open.

RC drilling completed by JV partner – returns further encouraging near surface zinc-lead results

CORPORATE

Zenith announced immediately post quarter end (7th July 2020), that it had raised \$5.1 million, before costs ("Placement"), to accelerate an active exploration program with a focus on its core gold projects.

The Placement received significant support from new and existing institutional and sophisticated investors, and new shares were issued under the Company's available ASX Listing Rule 7.1 and 7.1A placement capacity.

A total of 51 million new fully paid ordinary shares in the Company ("New Shares") were issued under the Placement, ranking pari passu with existing fully paid ordinary shares in the Company. The Placement issue price of \$0.10 per New Share represented a 13.0% discount to the last traded price (on 2 July 2020) and a 13.8% discount to the 15-day VWAP. Settlement was completed on the 13rd July 2020.

On 14 May 2020, announced to ASX with an Appendix 3G the 1,200,000 unlisted options (ESOP) were issued, exercisable at \$0.1097 and expiring 14 May 2023.

At section 6.1 of the Appendix 5B, the payments to Directors of the Company for the quarter ended 30 June 2020 were for gross wages, fees and superannuation.

COVID-19 Impact Update

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. Zenith's projects are in remote country areas or on grazing properties where Zenith's crew are geographically isolated.

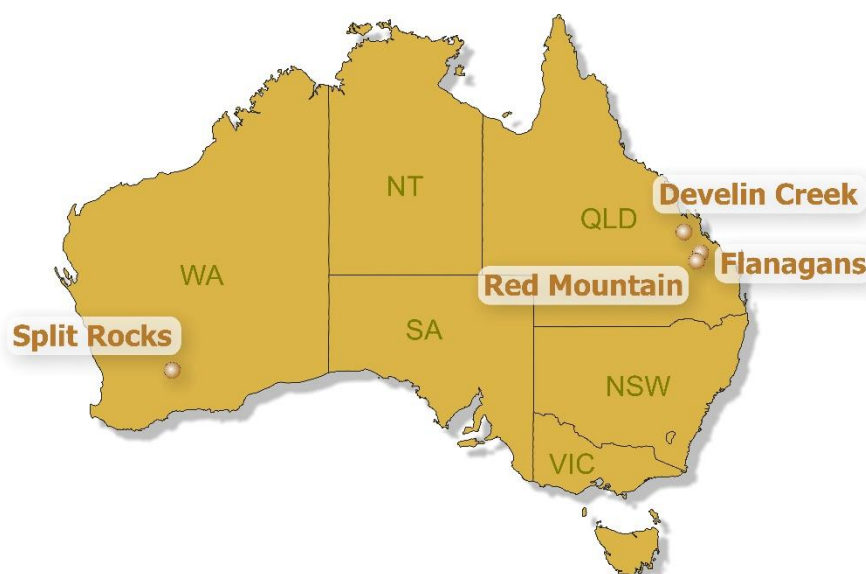
The Company continues to act on advice provided by the Federal and State Governments with the health and safety of Zenith's crew, contractors, and local stakeholders a priority. Zenith has in place a COVID-19 site health management plan and requires that all its field crews comply with the requirements of that plan. In addition, the Company is managing projects across state borders and is ensuring it complies with both Federal and State based travel and border restrictions by employing, where available local staff and using locally based contractors, consultants.

Most Zenith office-based personnel in Western Australia have returned to work as normal.

BACKGROUND ON CORE PROJECTS

The Company is focused on exploration & evaluation of 3 gold projects and 1 copper-zinc project, in Australia.

Project highlights and activities for the quarter for these 4 projects are included in the preceding section of this report.



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

Background on Red Mountain Gold Project

A zone of surface gold and silver mineralisation was 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.

September 2019

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.

October 2019

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.

November 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).

June 2020

As outlined in the ASX Release 17th June 2020 the maiden drill program was designed to test several different geological units and IP geophysical responses. The high-grade surface gold results defined to date 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.

Geological Vectors

The Red Mountain project is located between two gold mines Cracow (Evolution Mining Limited (ASX:EVN) divesting to Aeris Resources Limited (ASX:AUR)) and Mount Rawdon (ASX:EVN) (Figure 1). Cracow is a low-sulphidation epithermal gold deposit whilst Mount Rawdon is described in the literature as an epizonal intrusion-related gold deposit.

The Red Mountain host rocks, alteration and geochemical association are interpreted as having similarities to the Mt Wright gold deposit located in North Queensland and of that at the nearby operating Mt Rawdon gold mine owned by Evolution Mining. The similarities provide Zenith with a geological model to assist in targeting gold and silver mineralisation at Red Mountain.

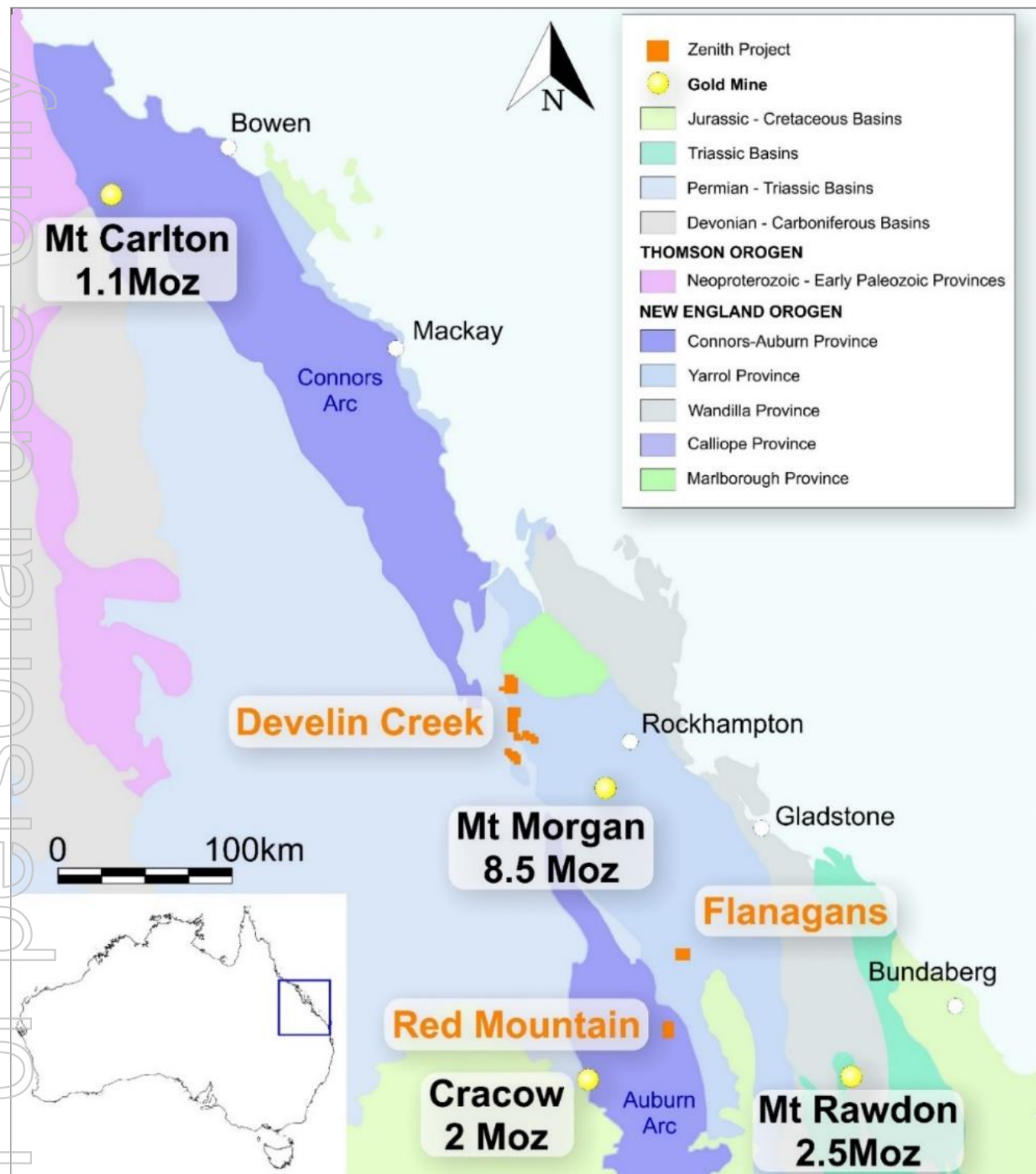


Figure 1: Red Mountain Project – Location Map

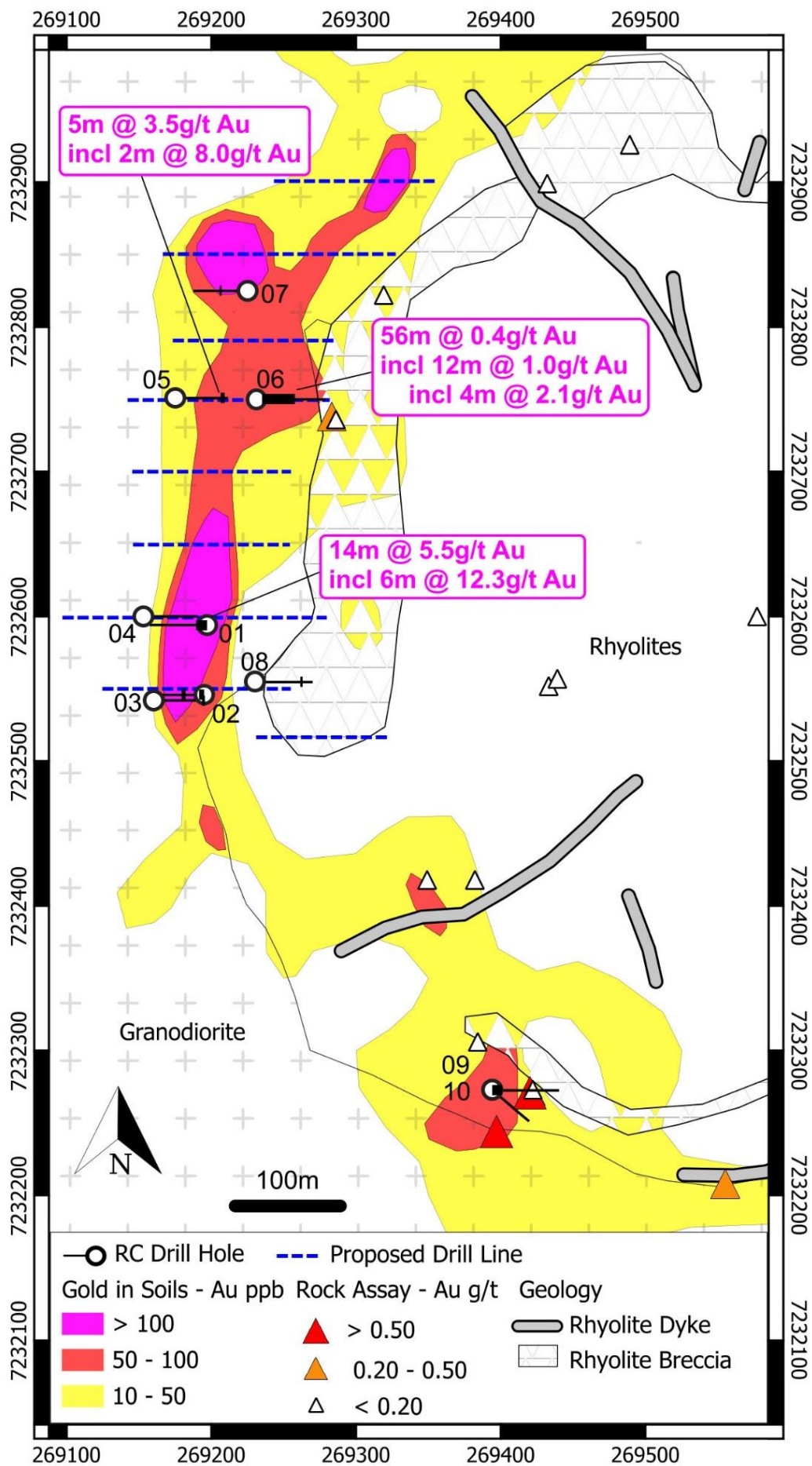


Figure 2: Red Mountain Plan Showing Initial Drill Lines

SPLIT ROCKS GOLD PROJECT – Western Australia (Zenith 100%)

Background on Split Rocks Project - Gold

Zenith's Split Rocks project is located within the Southern Cross region in the Forrestania greenstone belt, approximately halfway between Perth and Kalgoorlie. Several very large current and formerly operated gold mines located north and south along strike from Zenith's project area attest to the regional gold endowment of this area.

A major targeting exercise by the Company's geological team has identified 12 high-quality gold drill targets in the north eastern sector of the Company's 100% owned Split Rocks project (Figures 3 & 4). The study involved integrating geological, geophysical and geochemical data sets from Zenith's exploration activities as well as historic exploration programs that were generally conducted more than 20 years ago, mainly for nickel, when the gold price was significantly lower than today.

Zenith's targeting study has identified several, large, high-order geochemical anomalies (defined by historic auger sampling maximum value 300ppb Au and a mix of Zenith & historic shallow RAB & aircore drilling) that:

1. have never been or were poorly drill tested,
2. extend over 18km of strike.
3. the anomalies are in several cases coincident with major fault structures and geological contacts that contain significant gold mineralisation along strike.

Of these 12 targets, 8 require first pass aircore drill testing, whilst a further 4 targets (12 in total) require follow-up RC drilling to test poorly explored open-ended gold zones such as 2m @ 6.5 g/t Au (end of hole). A total of six targets will be tested in this current program, with permitting underway to allow additional targets.

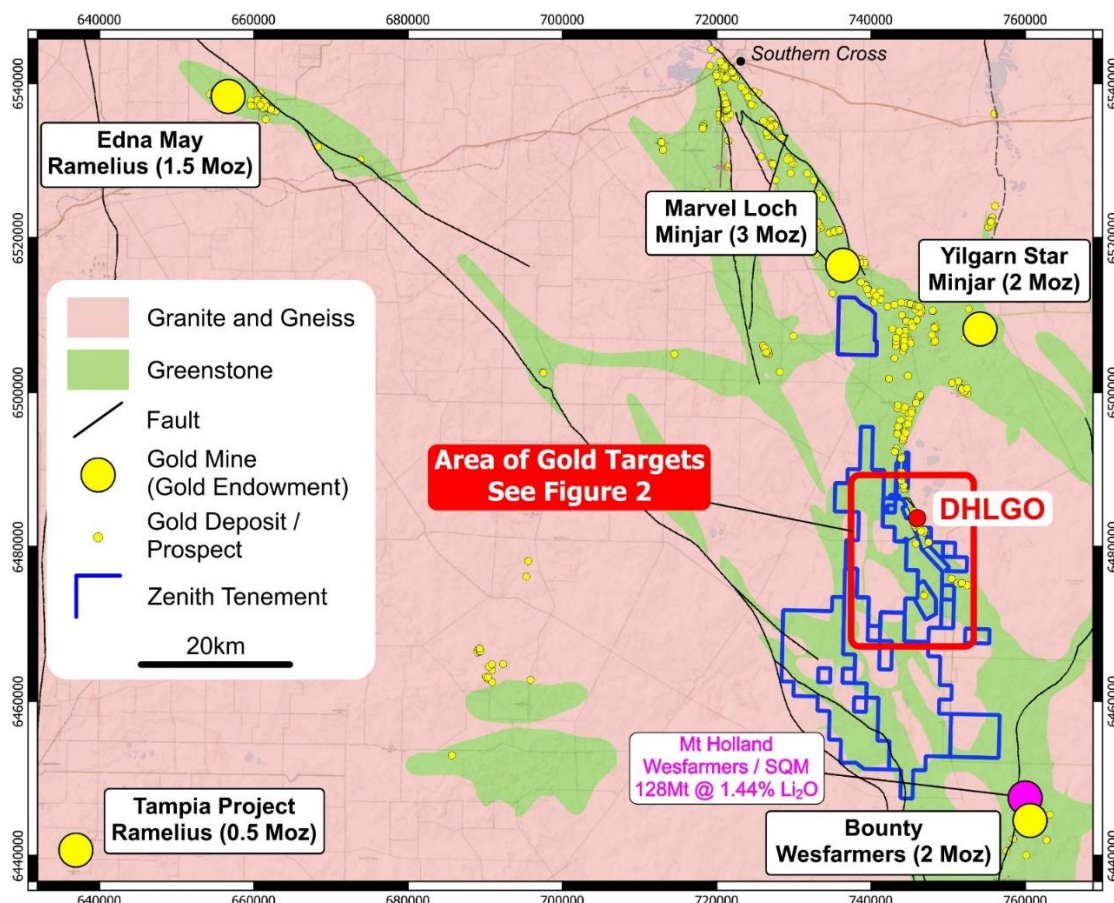


Figure 3- Split Rocks Project Location Map Showing Zenith tenements, DHLGO Prospect and Regional Gold Endowment

**The Company has an exclusive right to explore the DHLGO project 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).*

Zenith has completed 2 recent phases of RC drilling at the Dulcie prospect (ZNC ASX release 14th Feb 2020) demonstrating that the Dulcie gold mineralised structure remains open along strike, particularly to the south (Figure 4).

Mineralisation at Dulcie is hosted within quartz veined and sericite altered mafic volcanic rocks and remains open and untested along strike with evidence of multiple stacked lodes. The results included:

- ZDRC022: 10m @ 2.2 g/t Au from 59m depth, incl. 6m @ 3.32 g/t Au and
- ZDRC020: 5m @ 3.23 g/t Au from 8m depth,

Drilling so far has only tested 100m of strike potential of the Dulcie gold mineralised structure. This program will now focus on the along strike potential particularly to the south of the DHLGO gold zone as well as the numerous high-quality gold targets within Zenith's extensive, 100% owned Split Rocks landholdings.

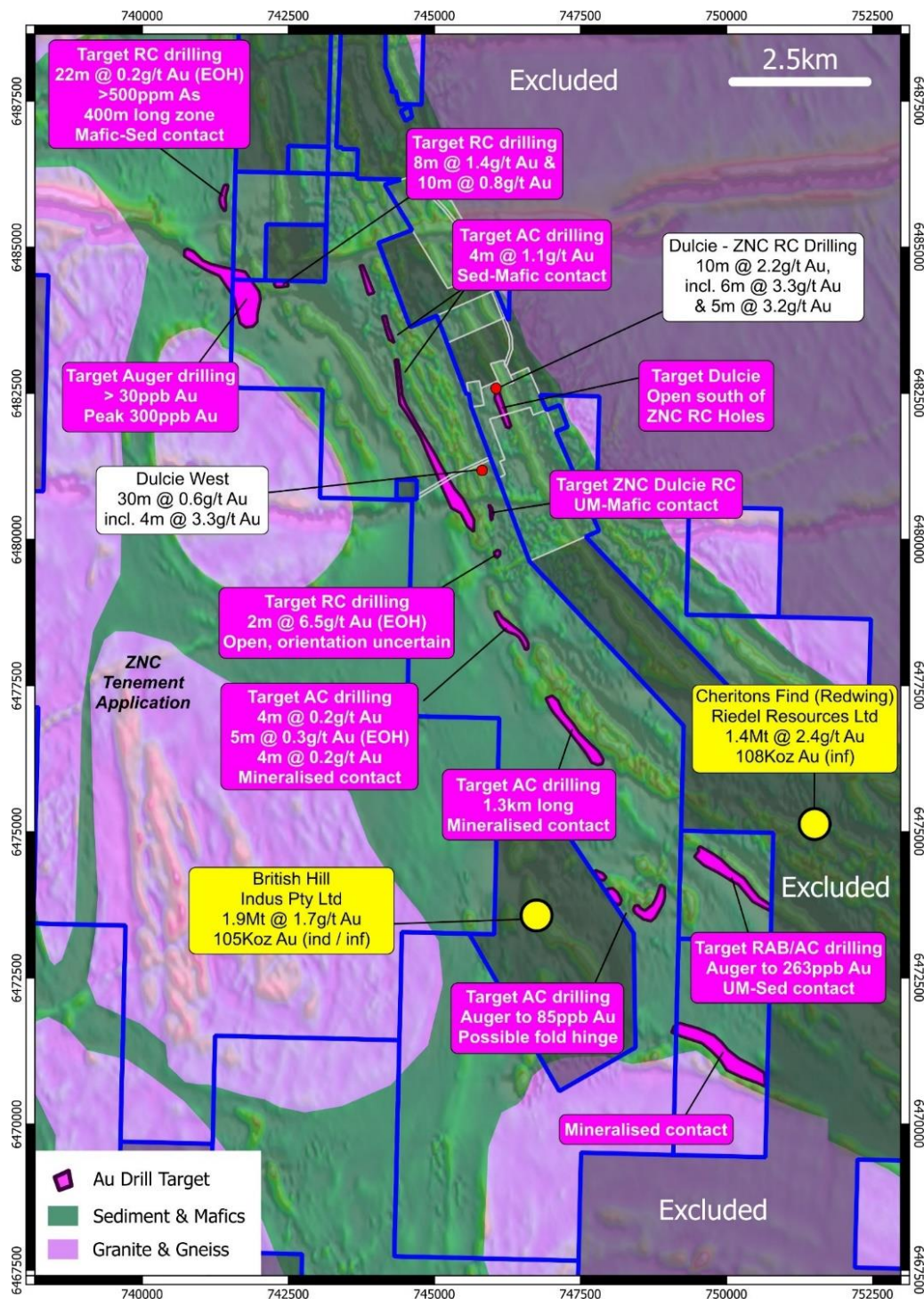


Figure 4: Twelve Split Rocks Gold Targets for Future Drill Testing

SPLIT ROCKS LITHIUM

Activities During the Quarter

Re-assaying by Zenith of historic drill pulps for lithium from drilling conducted by CRA in 1987-88 that intersected a thick flat lying pegmatite, has returned strongly anomalous lithium.

Drilling by CRA in 1987-88 reported very thick shallow dipping pegmatite intersections - up to 76m downhole thickness (estimated by Zenith as ~65m true width) in 3 consecutive drill holes on one section over 280m width within one of Zenith's newly granted exploration licences. The nearest effective drilling to the south is 590m away and one RC hole on that section also intersected pegmatite over 8m true width. The shallow dipping pegmatite body remains open to the north. The pegmatite was not analysed for lithium at the time of drilling (WAMEX Open file reports a29425 and a26162).

Zenith's re-assaying indicates that high lithium concentrations occur towards the base of the 50 – 65m thick pegmatite in all 3 consecutive drill holes. New results include: 34m @ 0.12% Li₂O, 23m @ 0.09% Li₂O and 34m @ 0.07% Li₂O. As future gold exploration progresses in this area, Zenith will consider a step out drill test of this lithium target.

Background on Split Rocks Project - Lithium

In addition to the gold targeting exercise, Zenith has also been systematically exploring its 100% owned Split Rocks project with landholdings of approximately 600 sqkm in the Forresteria greenstone belt for lithium. This emerging lithium district is host to SQM-Kidman's Mt Holland/Earl Grey lithium deposit containing 189Mt @ 1.5% Li₂O (KDR:ASX Release 19th Mar 2018).

FLANAGANS GOLD PROJECT – Queensland (Zenith 100%)

Flanagans Prospect Background

Based on historical exploration activity the target is defined as a poorly exposed 1.5km long by 180m wide zone of sporadic quartz veining hosted in diorite. Individual quartz veins range in size from 1cm to 1m in width with common goethite boxwork after sulphides. The quartz veins have been mapped in outcrop and in 6 shallow trenches and described as flat lying to shallow NE dipping providing potential for a vertically stacked quartz vein hosted gold mineralised system. Within this overall zone is a smaller area of historic copper workings.

Previous sampling reported strong gold in rock chips results including: 20 g/t Au, 12.0 g/t Au, 11.5 g/t Au, 5.25 g/t Au, 3.3 g/t Au, 3.2 g/t Au, 2.6 g/t Au and silver to 70 g/t Ag (QLD Mines Department open file reports cr12556, cr17773 & cr30978).

Rock sampling by Zenith confirms the previously reported presence of high levels of gold-silver and copper in quartz veins at surface with gold results up to 5.3 g/t Au, silver to 100 g/t Ag and copper to 8.0% Cu hosted within diorite. Mapping showed sporadic outcrop of individual quartz veins at surface whilst veins observed in a poorly exposed historic 1m deep prospecting pit appear as a carbonate-quartz stockwork returning 1.15 g/t Au. The previously recorded shallow trenches dug in the 1980s were not located. In addition, two trial lines of soil sampling were completed along the strike of the Flanagans prospect area, with samples returning a maximum value of 1.5 g/t Au (1500ppb Au). Although returning several highly anomalous results, Zenith's soil sampling correlates poorly spatially with very high historic soil sample results reported by previous explorers.

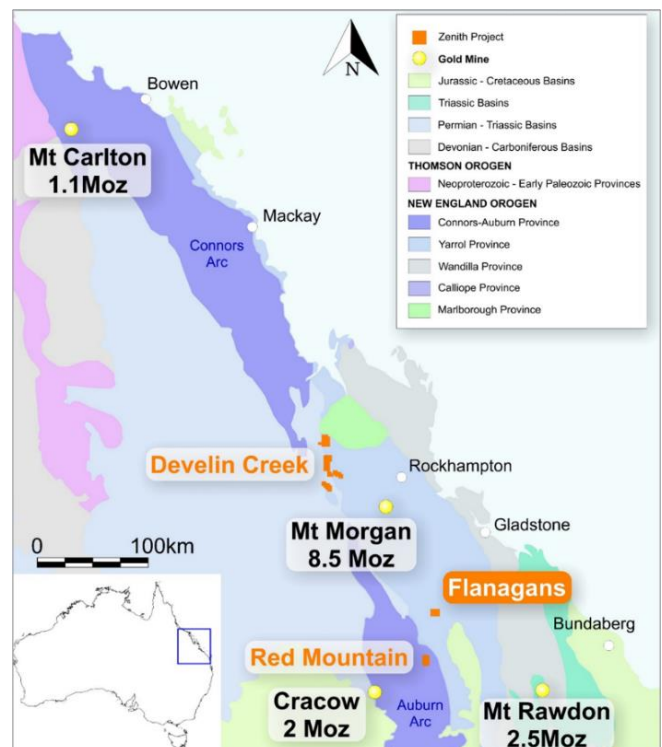


Figure 5: Flanagans Project – Location Map

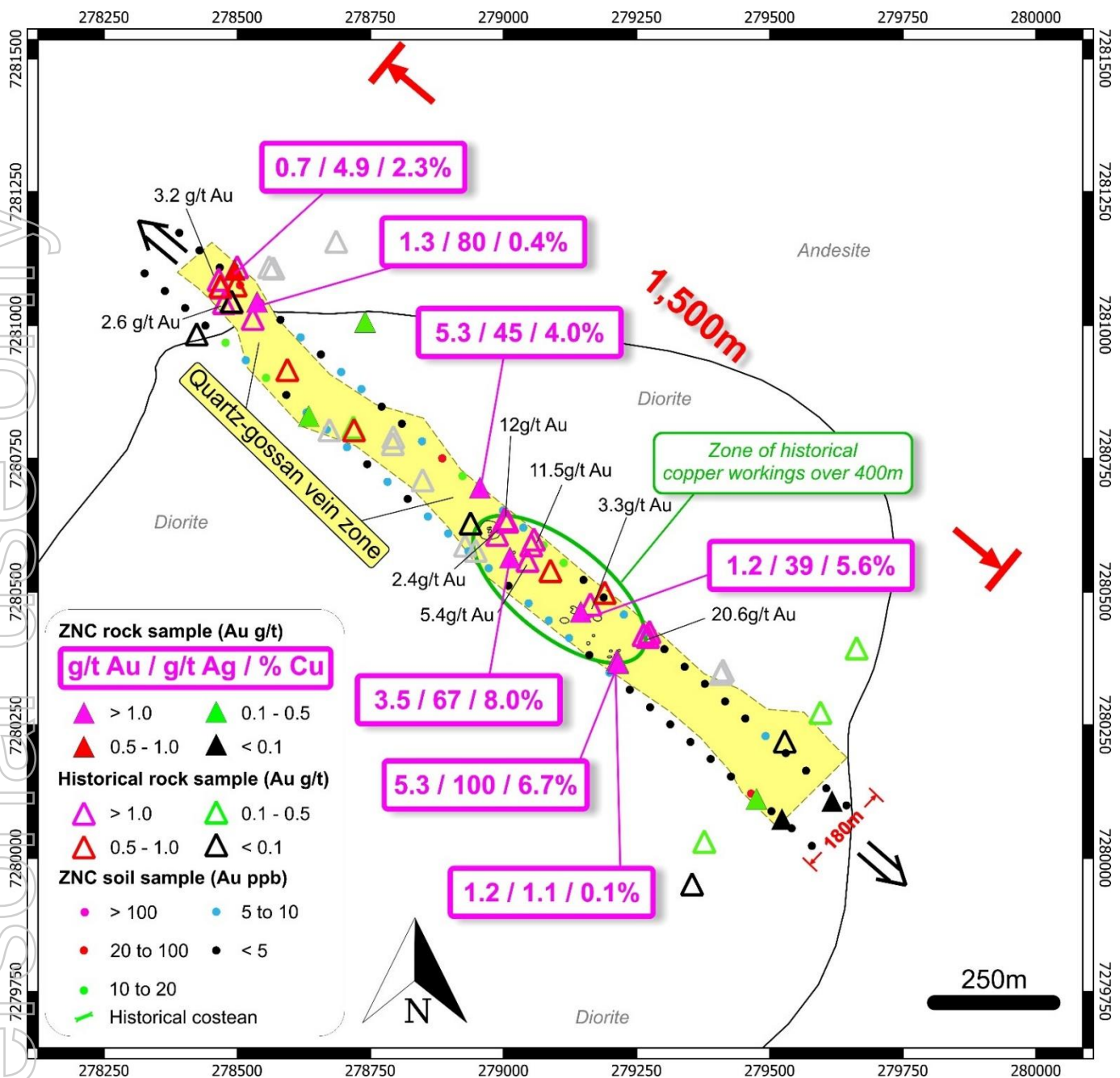


Figure 6: Flanagans Gold Target – Geochemical Sampling Results

DEVELIN CREEK COPPER-ZINC PROJECT – Queensland (Zenith 100%)

Develin Creek Project Background

The Develin Creek project contains a VMS copper-zinc deposit with an 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 are considered likely 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%. The Company holds exploration permits that cover the highly prospective host rocks over 50km north – south.

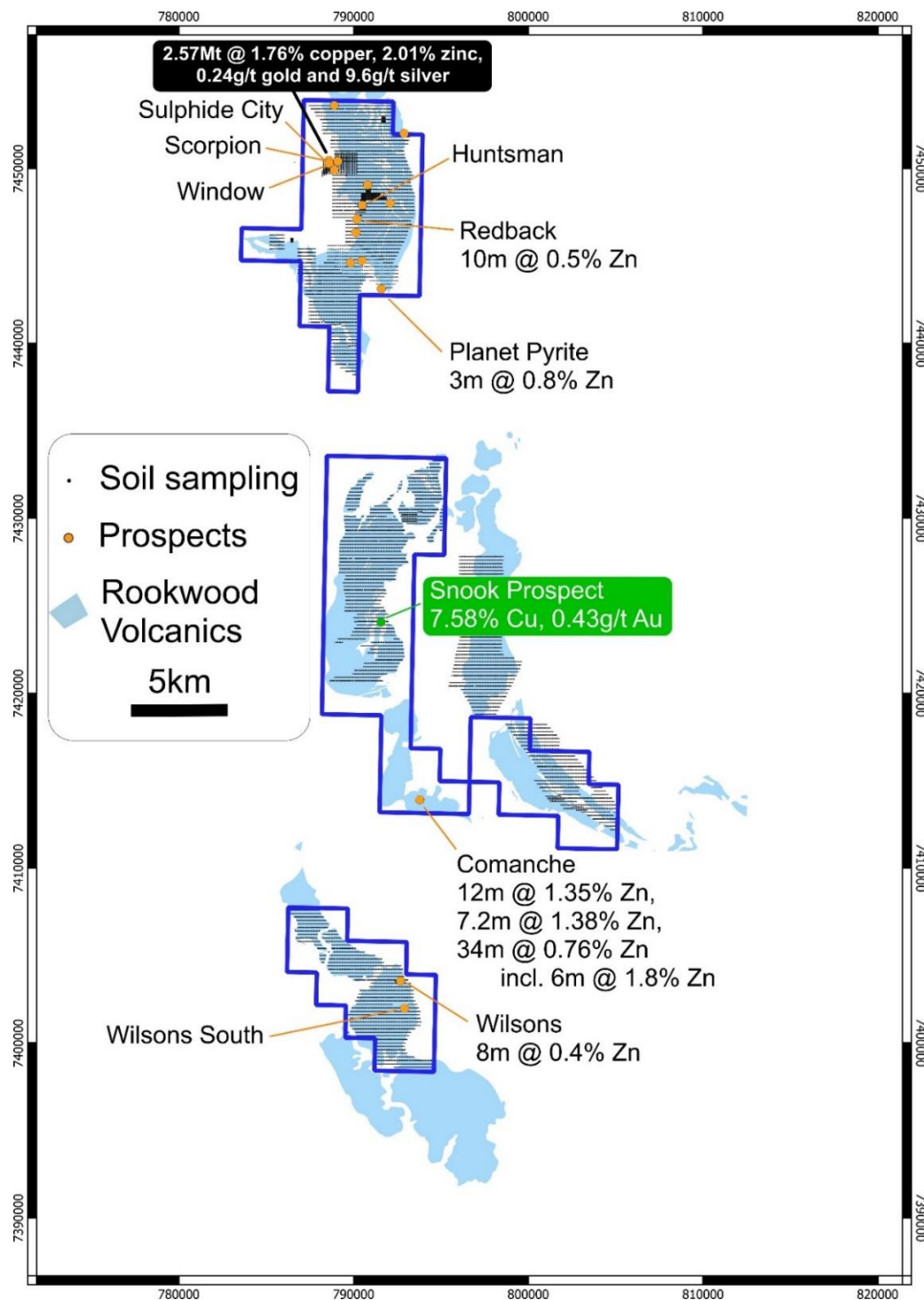


Figure 7: Develin Creek Prospects and Geochemical Anomalies

LARAMIE RARE EARTH PROJECT – WYOMING USA (Zenith 100%)

Activities During the Quarter

To continue to focus on its core gold projects in Australia, Zenith is considering divesting its interest in the Laramie Rare Earths Project.

Background on Laramie REE Project

As announced to the ASX on the 17th Oct 2019, initial rock grab sampling and mapping by Zenith in three key areas 2 to 3km apart returned up to 0.60% total rare earth oxides (TREO). Follow-up sampling included nine systematic rock chip sample traverses returned consistent, strong REE mineralisation along their entire lengths (ASX Release 11th Nov 2019), including: 80m @ 0.40% TREO, 60m @ 0.39% TREO, 60m @ 0.37% TREO, 137m @ 0.37% TREO, 332m @ 0.26% TREO.

PARTNERED PROJECTS

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 which have the technical and financial capability, depending on how the Board believes shareholders' best interests are served.

Current joint ventures where partners are funding exploration include:

- Earraheedy Zinc – Australia (Rumble)
- Kavaklitepe Gold - Turkey (Teck affiliate)
- Vivash Iron – Australia (Rio Tinto Expl)
- American Lithium (Bradda Head Ltd)

Increased Spending
Increasing Chance of Success
Sharing Risk



EARAHEEDY ZINC PROJECT – WA (Zenith 25% free carry to a BFS, ASX: RTR 75%)

Activities During the Quarter

Zenith Minerals (ASX: ZNC) joint venture partner Rumble Resources (ASX: RTR) completed further RC drilling on the Earraheedy Project to follow-up a large-scale (large tonnage), flat lying, shallow sandstone hosted Zn–Pb discovery (refer to ZNC & RTR announcements dated 14th April 2020 and 4th May 2020).

RC drilling has confirmed continuity of width and higher-grade Zn–Pb with Ag at the Chinook and Magazine prospects. Results included: 4m @ 7.36% Zn + Pb at Magazine and 4m @ 5.44% Zn +Pb at Chinook. Magazine and Chinook are 10.5km apart with the Zn–Pb–Ag mineralisation completely open.

Planned Activities

Follow-up drilling planned for 4th calendar quarter 2020.

Background on Earraheedy Zinc Project

Zenith holds a 25% interest in the Earraheedy Joint Venture with Rumble, with Zenith's interest free carried until completion of a Bankable Feasibility Study. In addition, Zenith currently retains a total of 4.4M RTR shares received as consideration from Rumble.

Rumble outlined a shallow Exploration Target[^] at the Earraheedy Project of 40Mt to 100Mt at 3.5% Zn–Pb to 4.5% Zn–Pb based on recent drilling results, geological understanding of the mineralisation geometry, continuity of mineralisation and regional geology, highlighting the potential for Earraheedy to be a world class Tier 1 base metal province.



Figure 8: Earraheedy & Vivash Project Locations

[^]The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Refer to further details on page 6 of the ZNC-RTR announcement dated 23rd January 2020.

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

Activities during the quarter

A reconnaissance trip was undertaken by RTX at the end of the quarter to inspect possible new Brockman and Marra Mamba target areas on the tenement. The preliminary assessment has downgraded the potential for any enrichment of the iron formations (to high grade iron ore) within these areas.

3D geological modelling work, incorporating the results from the drill program completed in the December 2019 (refer Dec2019 quarterly report), was completed.

Planned Activities

Complete final assessment of iron ore potential in new target areas based on reconnaissance trip observations and other technical data to inform a decision in relation to any further activities.

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. An initial drill program was completed on one target area in the December 2019 quarter.

KAVAKLITEPE GOLD PROJECT – TURKEY (ZENITH 23%)

Activities During the Quarter

Drilling program on hold due to COVID-19 Turkish government-imposed travel restrictions, with a potential start date now likely to be August 2020.

Additional roadcut channel sampling was completed during the quarter within the existing surface soil sample geochemical anomalies. Gold results from this new work are consistent with previous sampling.

Planned Activities

A program of 5 diamond drill holes (and 12 contingent holes) of approximately 300m depth each are planned to be completed in 2020 to test for the potential of gold mineralization between the Kuzey Zone and Discovery Zone beneath a sequence of interpreted flat-lying barren metavolcanics rocks. Zenith believes that if the proposed drill program is successful in its aims then it could have a significant impact on the project's potential.

Background on Kavaklitepe Gold Project

Exploration and evaluation of the Kavaklitepe gold project is managed by Teck Anadolu Madencilik Sanayi v. Ticaret A.S. ("Teck"), a Turkish affiliate of Teck Resources Limited. Drilling to date on two prospect areas has returned encouraging results. Kuzey Zone drill intersections include:

- 20m @ 15.6 g/t Au,
- 16m @ 4.7 g/t Au,
- 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,

whilst 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.

In addition, Discovery Zone drill results include: 8.0m @ 0.74 g/t Au, 8.0m @ 1.20 g/t Au and 8.0m @ 1.26 g/t Au.

AMERICAN LITHIUM JOINT VENTURE

Activities During the Quarter

Nil this quarter.

Background on American Lithium JV

The American Lithium JV includes 5 separate projects of varying styles including 1 x pegmatite, 2 salt lake brine targets, 1 x lithium clay JORC resource and an oilfield lithium brine play (Figure 9).

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 must spend US\$5 million on the joint venture projects before Feb 2021 or the projects will be returned to Zenith.



Figure 9: American Lithium JV Project Locations

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

Activities During the Quarter

Native title heritage negotiations on hold due to COVID-19.

Planned Activities

The Company is considering a transaction with a 3rd party partner to progress the evaluation and potential development of this lithium-tantalum opportunity.

Background on Waratah Well

The Waratah Well project located in the mid-west of Western Australia contains a lithium-tantalum rich pegmatite swarm extending over an area of approximately 3km x 2km. Zenith sampling has returned lithium up to 1.92% Li₂O and tantalum up to 1165ppm Ta₂O₅. Drilling is required to test subsurface potential.

NEW OPPORTUNITIES

The Company advises that it is currently in ongoing and incomplete negotiations in connection with several potential project acquisitions and disposals. This remains an essential generative value process. Project generation is a core skill of the Company.

This work has included:

- assessing a new exploration tenure in New South Wales
- possible divestment of its Laramie REE project in Wyoming
- and the renegotiation of its American Lithium JV in the USA. These discussions are ongoing, and no agreement has been entered into, and it is currently unknown when or if agreements will be completed.
- additionally, new tenure applications have recently been lodged in Queensland.

The Company will provide appropriate disclosure should negotiations and agreements be completed and new tenure granted.

TENEMENT INTERESTS

Changes in tenements	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	P77/4509		100%	0%
	P77/4508		100%	0%
	E77/2392		100%	0%
	E69/3464		100%	25%
Interests in mining tenements and petroleum tenements acquired or increased	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 the Mineral Resource Estimate and Exploration Target at Burro Creek East is based on information compiled by Martin Pittuck, who is a Chartered Engineer with the Institute of Materials Minerals and Mining and an employee of SRK Consulting (UK) Limited. Mr Pittuck 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 Pittuck consents to the inclusion of excerpts from the SRK report in this ASX release in the form and context in which they appear.

Authorised for release by the Zenith Minerals Limited Board of Directors

30th July 2020

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Zenith Minerals Limited

ABN

96 119 397 938

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	18	78
1.2	Payments for		
	(a) exploration & evaluation (see Note to 1.2(a))	(152)	(786)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(154)	(599)
	(e) administration and corporate costs	(136)	(544)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	86	86
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(337)	(1,764)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(2)	(6)
	(c) property, plant and equipment	-	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Note to 1.2(a) – For the quarter ended 30 June 2020, \$152 (rounded \$A'000) of the exploration & evaluation expenditure at 1.2(a) has been capitalised and its inclusion at 1.2(a) is to maintain consistency with Zenith Minerals Limited reporting in its Financial Report pursuant to the Australian Accounting Standard AASB 6 and AASB 107.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	22	22
	(e) 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	20	13

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,663
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(30)
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	-	1,633

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,286	1,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(337)	(1,764)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	13
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,633

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	23
4.6	Cash and cash equivalents at end of period	968	968

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	952	1,270
5.2	Call deposits	16	16
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)	968	1,286

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	15	-
7.4	Total financing facilities	15	-
7.5	Unused financing facilities available at quarter end		15
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Credit Card Facility (interest rate on purchases 20.24% p.a.) 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.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(337)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(337)
8.4	Cash and cash equivalents at quarter end (item 4.6)	968
8.5	Unused finance facilities available at quarter end (item 7.5)	15
8.6	Total available funding (item 8.4 + item 8.5)	983
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3
	<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer:</p> <p>8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer:</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 30 July 2020.....

Authorised by: **By the Board**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.