

21st September 2018

Lithium Drilling Recommenced at Split Rocks Project - Forrestania

- **Five large scale lithium geochemical targets to be tested in ~100 hole first pass drill campaign;**
- **Results awaited for re-sampling of anomalous lithium intervals from recent RC drill program that intersected thick pegmatite with basal section containing encouraging chemistry similar to known lithium pegmatite mines/deposits; and**
- **A further 30 holes are planned to drill test surface laterite/gravel gold targets at Dulcie South.**

Zenith Minerals Limited ("Zenith" or "the Company") is pleased to advise that drilling has recommenced at the Split Rocks lithium project located 40 km north of Kidman Resources' (ASX:KDR) Mt Holland (Earl Grey) lithium pegmatite deposit containing 189Mt @ 1.5% Li₂O (KDR ASX Release 19th Mar 2018). Zenith's 100% owned Split Rocks Project covers a large portion (total area >500sqkm) of the Forrestania Greenstone Belt of Western Australia (Figure 1).

As detailed in Zenith's ASX releases on (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, have 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 1). Three soil anomalies (Lithium Anomaly 1, 2 and 4) as detailed in ZNC ASX Release 6th July 2018 returned results up to 134ppm lithium.

The tenor of these large-scale lithium anomalies is comparable with competitor surface results that upon drilling have returned significant bedrock lithium mineralisation in several instances. Field follow-up indicated very little to no outcrop in the areas of the lithium soil anomalies and that drill testing will be required.

RAB drilling of lithium soil anomalies in the western portion of the Split Rocks project testing Lithium Anomaly 4 during the quarter was abandoned due to heavy rainfall after only one line of drilling (6 holes). The planned drill program will provide a first pass test of five of the lithium soil targets (Anomalies 1, 3, 4, 5 and 6) with around 100 drill holes anticipated to take approximately 2 to 3 weeks to complete. Further surface sampling is required to better define Anomaly 7 whilst additional sampling has been completed at Anomaly 2, results are awaited.

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. As previously announced, (ASX Release 14th August 2018) preliminary 4 metre composite assay results from deeper RC drilling confirmed that the basal portion of the thick Dulcie pegmatite (up to 77m downhole widths) from the northernmost drill holes has a chemical signature similar to those of major Western Australian lithium spodumene mines such as Greenbushes, Pilgangoora, Bald Hills, and Mt Cattlin and also similar to that of the nearby Mt Holland (Earl Grey) lithium deposit. The lithium content of

Corporate Details

ASX: ZNC

Issued Shares (ZNC)	212.8M
Unlisted options	2.5M
Mkt. Cap. (\$0.13)	A\$28M
Cash (30 th Jun 18)	A\$2.5 M
Debt	Nil

Directors

Michael Clifford:
Managing Director

Mike Joyce:
Non Exec Chairman

Stan Macdonald:
Non Exec Director

Julian Goldsworthy:
Non Exec Director

Graham Riley:
Non Exec Director

Major Shareholders

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

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the Dulcie pegmatites in the composite samples is strongly anomalous (80m @ 353ppm Li_2O in drill hole ZDRC006, with a peak value of 4m @ 917ppm) like the levels reported from the maiden aircore drilling, and increases to the north and with depth, providing an additional exploration vector (Figures 2 & 3). The untested area north of the current drilling therefore presents a strong drill target for further follow-up testing. One metre resampling has been completed and assay results are awaited before further follow up drilling.

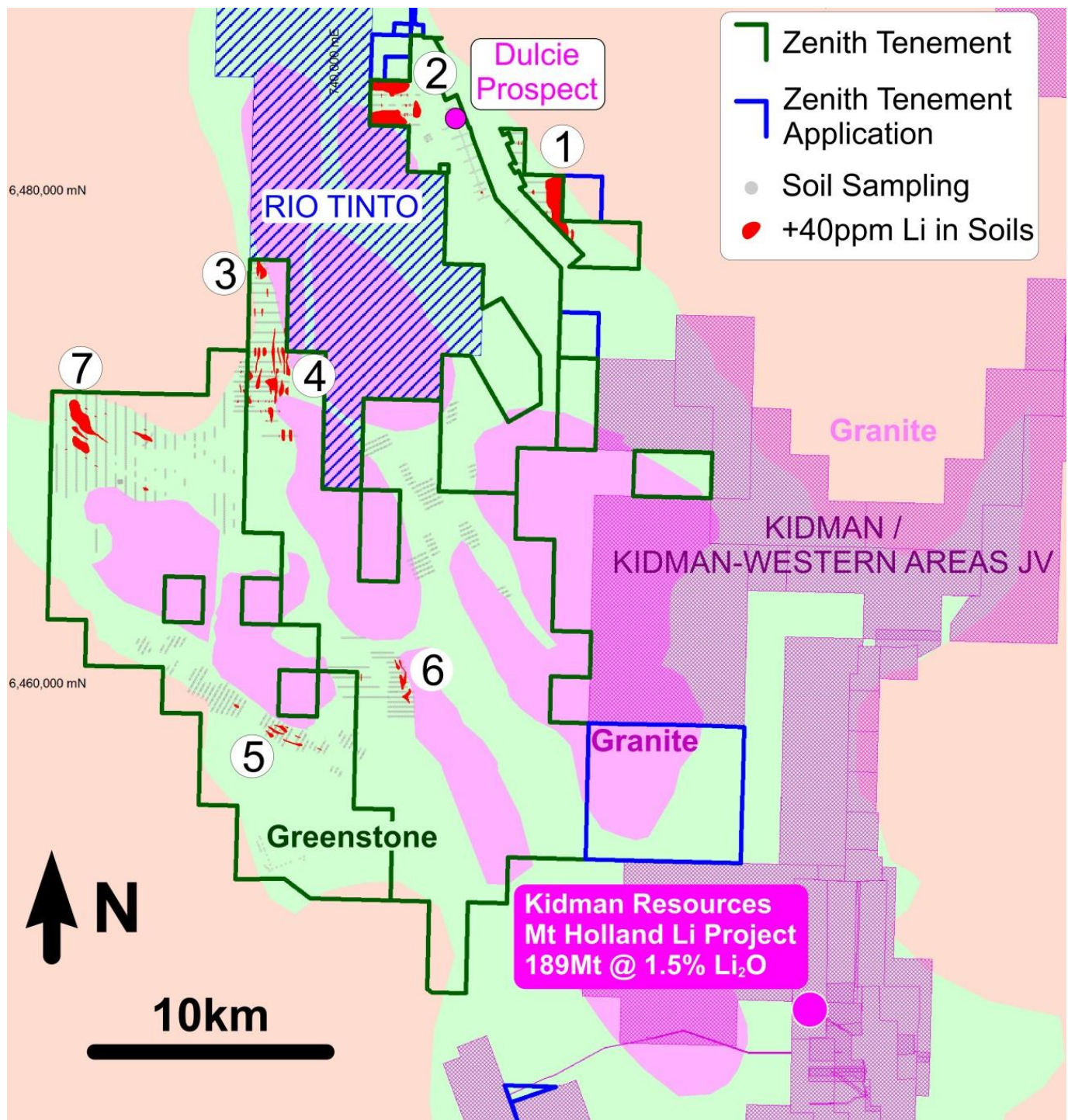


Figure 1: Split Rocks Project – Dulcie Lithium Prospect and Drill Targets 1-7 Overlying Generalised Geology

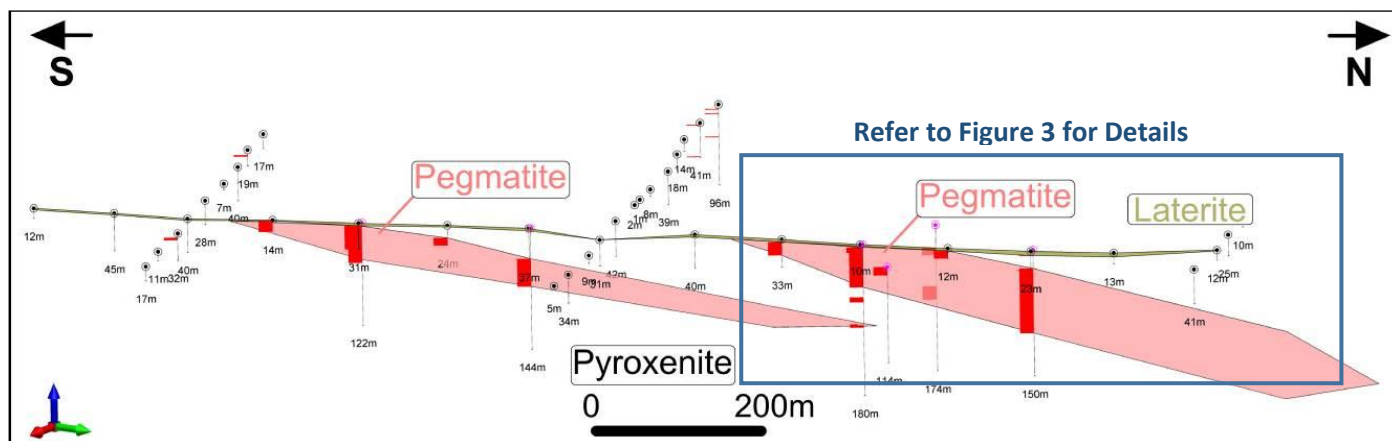


Figure 2: Dulcie Lithium Prospect – Long Section (looking west).

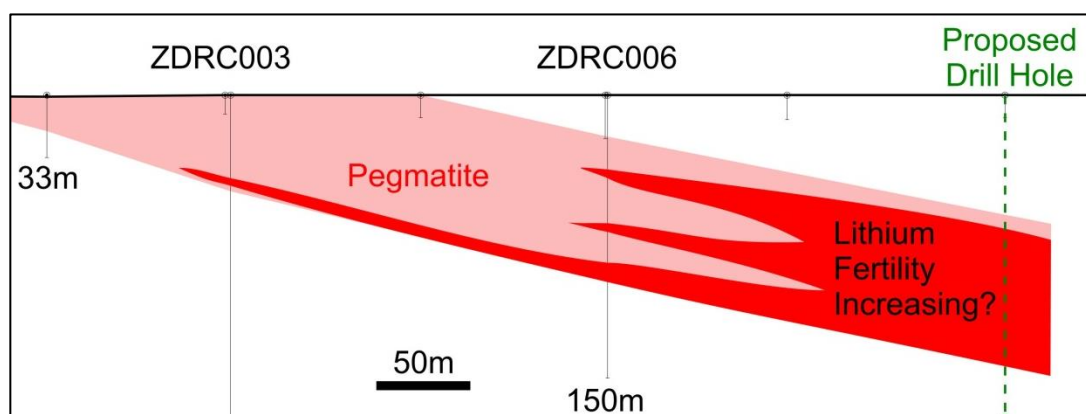


Figure 3: Dulcie Lithium Prospect – Long Section (looking west). Red intervals downhole indicate fertility in the field of known WA lithium deposits – refer to ASX Release 14th August 2018 for further details.

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.

21st September 2018

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Zenith is advancing its project portfolio of high-quality, gold, lithium and base metal projects:

Kavaklitepe Gold Project, Turkey (ZNC 30%, Teck 70%)

- Recent (2013) grass roots gold discovery in Tethyan Belt. Continuous rock chip sampling to: 54m @ 3.33g/t gold, incl 21.5m @ 7.2 g/t gold. Initial 2016 drill results include: 9 m @ 5.2 g/t Au from surface, 7.8 m @ 7.3 g/t Au from 3.3 m & 16.4m @ 4.7 g/t Au from 82.1m depth (ASX Release 5th Oct 2016). Follow-up drilling planned 2018.

American Lithium Projects (Bradda Head earning initial 55%)

Zacatecas Lithium Brine Project, Mexico

- Lithium brines to 2.1% lithium reported in sampling conducted by the Mexican Government from solar evaporation ponds for salt production (10km west of Zenith's new tenure) - Compelling geophysical targets – permitting for drilling in progress.

San Domingo Lithium, Arizona USA

- 9km x 1.5km lithium pegmatite field, initial surface sampling returned: 5m @ 1.97%Li₂O including 2.4m @ 2.49% Li₂O (ASX Release 18th Oct 2017) - Drill permits received.

Spencer & Wilson Salt Flat Lithium Brine Projects, Nevada USA

- Two lithium brine targets in producing lithium region - Geophysical surveys & infill sampling prior to drilling

Burro Creek Lithium, Arizona USA (ZNC option to acquire)

- Drilling completed returning widespread near surface lithium rich clay beds, preparation for resource estimate commenced (ASX Release 19th Jun 2018). Follow-up metallurgical testwork in progress.

Australian Projects

Develin Creek Copper-Zinc-Silver-Gold, QLD (ZNC 100%)

- 3 known VHMS massive sulphide deposits - JORC resources, 50km of strike of host rocks.
- 2011 drilling: 13.2m @ 3.3% copper, 4.0% zinc, 30g/t silver & 0.4g/t gold - Drilling planned to extend known deposits, geophysics, geochemistry to detect new targets (ASX Release 15th Feb 2015).

Split Rocks Lithium, Nickel-Cobalt & Gold, WA (ZNC 100%)

- 100% owned exploration licences covering 500km² in emerging Forrestania lithium district.

Tate River Gold QLD (ZNC earning up to 70%)

- Trenching returned 5m @ 3.9g/t Au as well as widespread strongly anomalous gold zones such as 166m @ 0.14g/t Au (ASX Release 21st Sep 2017). New targets identified at Far East and Far North prospects.

Red Mountain Gold-Silver Project QLD (ZNC 100%)

- Initial reconnaissance rock chip sampling results up to 114 g/t silver and 0.69 g/t gold, associated with strong, open ended silver soil anomaly (ASX Release 25th July 2017). Follow-up sampling planned

Waratah Well Lithium -Tantalum Project WA (ZNC 100%)

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

Earaheedy Manganese Project, WA (ZNC 100%) - Manganese province discovered by ZNC, potential DSO drill intersections (+40%Mn)

Mt Alexander Iron Ore, WA (ZNC 100%) - JORC magnetite Resource 566 Mt @ 30.0% Fe close to West Pilbara coast, 50% of target untested (ASX Release June Qtly 2015)- Seeking development partner/ buyer for iron project.

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