QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDING 30th SEPTEMBER 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 Sep 2020

Zenith Minerals Limited (ASX:ZNC)
ABN:96 119 397 938

Issued Shares	294.4M
Unlisted options	9.6M
Mkt. Cap. ($0.12)	A$35M
Cash (30th Sep 20)	A$5.0M
Debt	Nil

Directors

Peter Bird	Exec Chairman
Michael Clifford	CEO
Stan Macdonald	Non-Exec Director
Julian Goldsworthy	Non-Exec Director
Graham Riley	Non-Exec Director
Mike Joyce	Non-Exec Director

Major Shareholders

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

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ELEVATED EXPLORATION ACTIVITY GENERATES POSITIVE RESULTS

- **Red Mountain Gold Project, Queensland (ZNC 100%) Ongoing Reverse Circulation (RC) and Diamond (DD) drilling returned further high-grade near surface gold mineralisation incl. 13m @ 8.0 g/t Au and 15m @ 3.5 g/t Au from surface. Drilling continues.**

- **Split Rocks Project Western Australia (ZNC 100%).**
  - **Large scale 2km long gold target defined at Dulcie Laterite Pit. Results incl. 16m @ 3.7 g/t Au and 18m @ 2.0 g/t Au (eoh). Major RC follow-up drill program announced.**
  - **Highly encouraging drill results at Dulcie North - 32m @ 9.4 g/t Au, incl 9m @ 31.4 g/t Au and at Dulcie Far North 5m @ 5.6 g/t Au. Permitting for follow-up drilling in progress.**

- **Develin Creek Copper-Zinc Project Queensland (ZNC 100%). Maiden RC drill test of the new Snook copper prospect, surface samples to 7.6% Cu, located 30km south of current defined polymetallic JORC resources, planned for early Nov 2020.**

- **Jackadgery Gold Project New South Wales (ZNC option to acquire 90%). Historic surface trench sampling returned 160m @ 1.2 g/t Au, no drilling to date. Permitting for maiden drill test well underway.**

CORPORATE HIGHLIGHTS

- **Mr Peter Bird appointed Executive Chairman, effective 16th October 2020.**

- **The Company continues to manage its exploration activities based on COVID-19 advice from Federal and Government agencies.**

- **Sufficient cash reserves to advance project portfolio via drilling and evaluation ($5.0M at the end of the quarter – unaudited)**

SUMMARY OF ACTIVITIES AND RESULTS

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

Gold
- **Split Rocks 100%**
- **Red Mountain 100%**
- **Jackadgery earning 90%**
- **Flanagans 100%**

Copper-Zinc
- **Develin Creek 100%**

JV's
- **Gold, polymetallic & battery minerals**

CORE PROJECTS - HIGHLIGHTS

Red Mountain Gold – QLD (ZNC 100%)

Ongoing RC/DD program returned high-grade near surface gold mineralisation including: 13m @ 8.0 g/t Au & 15m @ 3.5 g/t Au

Zenith's maiden 31 RC hole drill program (3,819 metres) at the Red Mountain Gold Project (Figure 1) has returned near surface high-grade gold results as announced to the ASX on the 17-Jun, 3-Aug, 24-Aug, 21-Sep, 13-Oct 2020. Results included:

- 13m @ 8.0 g/t Au incl 6m @ 16.7 g/t Au from surface;
- 15m @ 3.5 g/t Au incl 2m @ 22.4 g/t Au from 56m;
- 5m @ 3.5 g/t Au incl 2m @ 8.0 g/t Au from 64 m depth;
- 10m @ 2.7 g/t Au from surface;
- 8m @ 3.9 g/t Au from 100m depth.

Results from drilling to date outline a high-grade gold zone on the western flank of the Red Mountain breccia pipe, extending over 300m on surface and remaining open at depth (Figures 2 & 3).

High-grade gold target outlined - drill testing continues

Mineralisation at Red Mountain is considered by Zenith to be analogous to known third party owned gold deposits in such as Mt Wright which is located 65km east of Charters Towers and the nearby Mount Rawdon Gold Mine.

Planned Activities
Follow up drilling of a further 10 RC drill holes and 2 initial diamond drill holes commenced, post quarter-end. Geophysical surveying is also planned to assist in guiding deeper drill testing.

Split Rocks Gold Project – WA (ZNC 100%)

18 high-quality gold targets defined

A major targeting exercise on the north eastern portion of Zenith's 100% owned Split Rocks project outlined 18 high-quality gold drill targets that warranted testing.

10 targets tested to date in 2 first pass rounds of AC drilling.

An initial 81-hole (3,604m) aircore drill program provided very encouraging near surface gold results was rapidly follow-up with a second drill campaign of 139 aircore holes (7,521m) to test 10 out of the 18 drill targets during the quarter.

2km long target zone identified at Dulcie Laterite Pit, results incl 16m @ 3.7 g/t Au & 18m @ 2.0 (eoh) g/t Au – Major follow-up RC program planned

Drilling defined a large scale 2km long gold target at Dulcie Laterite Pit. Results incl. 16m @ 3.7 g/t Au and 18m @ 2.0 g/t Au (eoh) – ASX releases 14-Jul-20, 5-Aug-20, 2-Sep-20, 9 Sep-20 and 19-Oct-20 (Figures 6 & 7).

Highly encouraging drill results at Dulcie North incl. 32m @ 9.4 g/t Au, incl 9m @ 31.4 g/t Au and at Dulcie Far North 5m @ 5.6 g/t Au.

Additional very high-grade gold results intersected at Dulcie North & Far North incl 32m @ 9.4 g/t Au

Planned Programs

Major RC follow-up drill program planned to test the 2km long Dulcie Laterite Pit target zone (ASX release – 29 Oct 20).

Permitting for follow-up drilling at Dulcie North & far North in progress.

Jackadgery Gold NSW (ZNC earning 90%)

Gold project in New South Wales secured by Zenith under option arrangement (ASX release 10-Sep-20. The Jackadgery gold project contains a “walk-up” drill target.

Historic trench results 160m @ 1.2 g/t Au

Historic surface trench sampling (1983-85) returned:

- 160m @ 1.2 g/t Au, with higher grade intervals, including
- 5m @ 18.0 g/t Au and 5m @ 7.1 g/t Au.

No drilling to date

Zenith will be the first to test beneath the surface trench area with maiden drill program. There has been no prior drilling anywhere on the property.

Planned Programs

Geological mapping and ground magnetics to be completed. Drilling is planned to commence in the last quarter of 2020 or early 2021 subject to permitting

Develin Creek Copper-Zinc QLD (ZNC 100%)

New copper prospect (Snook) identified 30km south of Zenith’s current JORC resources (ASX Release 13-May-2020). 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.

First pass sampling returned 7.58% copper

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 (ASX Release 10-Aug-2020).

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

Maiden RC drill test of Snook target planned for early Nov 2020.

Drilling Planned Nov 2020

RC/DD drilling planned at JORC mineral resource zone with twin holes to reassess potential for increase in base metal and precious metal grades.

Flanagans Gold – QLD (ZNC 100%)

Encouraging initial surface sampling results

Initial reconnaissance sampling by Zenith confirmed 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 & copper to 8.0% Cu
- Great Blackall – gold to 3.4 g/t Au, silver to 273 g/t Ag & copper to 13.9%

Further surface sampling completed during the quarter confirmed the historically reported local high tenor of gold, silver and copper mineralisation at both the Flanagans and Great Blackall prospects but work to date has not yet defined a clear drill target.

Planned Programs

Follow-up sampling planned

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 planned for early 2021.

CORPORATE

Appointment of Executive Chair

Over the past 3 years the Company has focussed on accumulating a quality portfolio of assets with a very modest budget. This work has culminated with a core set of 1st world projects in the precious and base metals space. Initial results from two of the Company's core projects, being Red Mountain (gold in Queensland) and Split Rocks (gold in Western Australia) have been very positive. Drilling continues at both sites. In the current quarter the Company will aggressively evaluate 5 key wholly owned projects with a combination of drilling and geological evaluation. Work will also continue at two independently managed JV assets.

A decision to augment the management team with additional resources to cater for the increased activity levels resulted in Mr Peter Bird assuming the role of Executive Chairman (effective 16-Oct-20) to focus on investor relations and corporate whilst CEO Mick Clifford will focus on the growth of the business by unlocking the potential in the existing Company projects. Additional executive management will mean the team will also have the time and capacity to assess new advanced stage opportunities should they arise.

Capital

A capital raising announced on 7-Jul-20, resulted in:

- the issue on 13-Jul-20 of 51M ordinary shares to existing shareholders and sophisticated investors, at $0.10 per share raising $5.1M.
- the issue on 13-July-20 of 2M unlisted options exercisable at $0.14 on or before 31-Dec-2023 and 2M unlisted options exercisable at $0.16 on or before 31-Dec-2023 associated with the placement.

Other Items

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

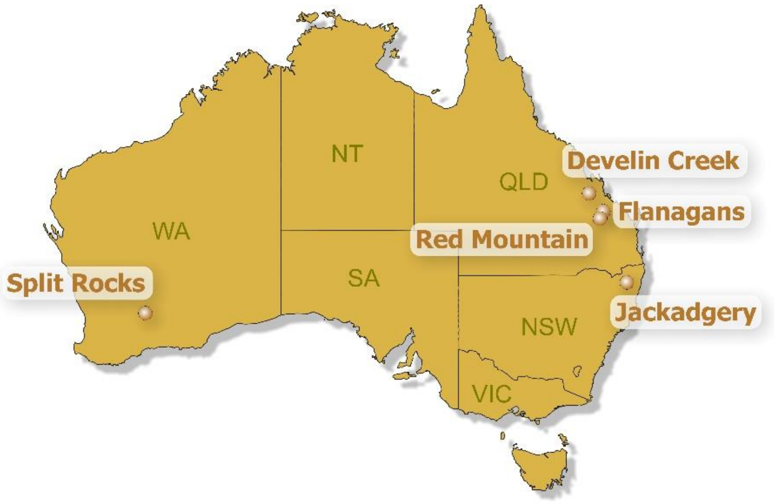
In relation to COVID-19 Zenith's Board is mindful of the significant impact the virus is having on the community and is continuing to assess the potential risks associated with its activities. Zenith's projects are in remote country areas or on grazing properties where Zenith's crew are geographically 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.

BACKGROUND ON CORE PROJECTS

The Company is focused on exploration & evaluation of 4 gold projects and 1 copper-zinc project, in Australia.

Project highlights and activities for the quarter for these 5 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 SE Queensland (Figure 1), in a previously unrecognised felsic volcanic breccia complex comprising rhyolite radial dykes, rhyolite ring breccia as well as granite and gabbro breccias, first identified by Zenith's field team.

Highly encouraging gold and silver rock chip sample results up to 2.01 g/t gold and 52.5 g/t silver are supported by systematic geochemical sampling that 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.

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.

Geological Vectors

The Red Mountain project is located between two gold mines Cracow (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.

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. The Mt Wright gold deposit was exploited by Resolute Mining Limited as an underground operation, with mineralisation having a strike length of only 200m but vertical extent of over 1.2km.

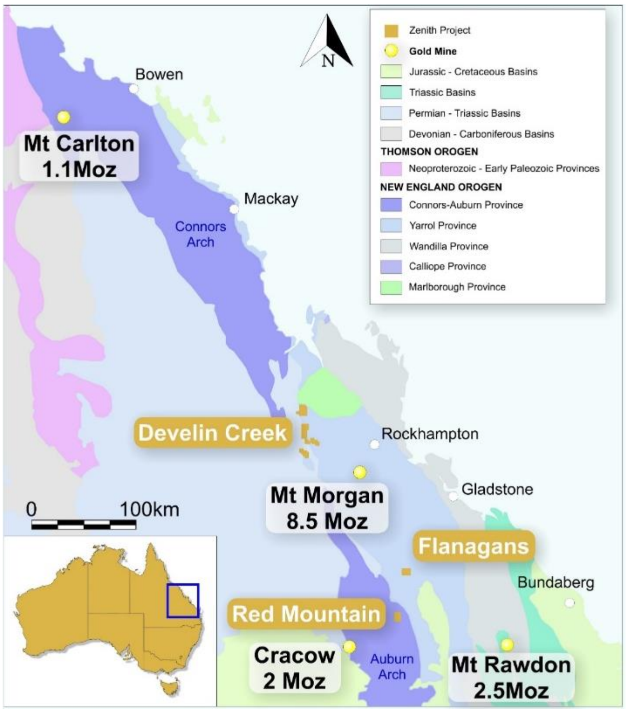


Figure 1: Red Mountain Project – Location Map

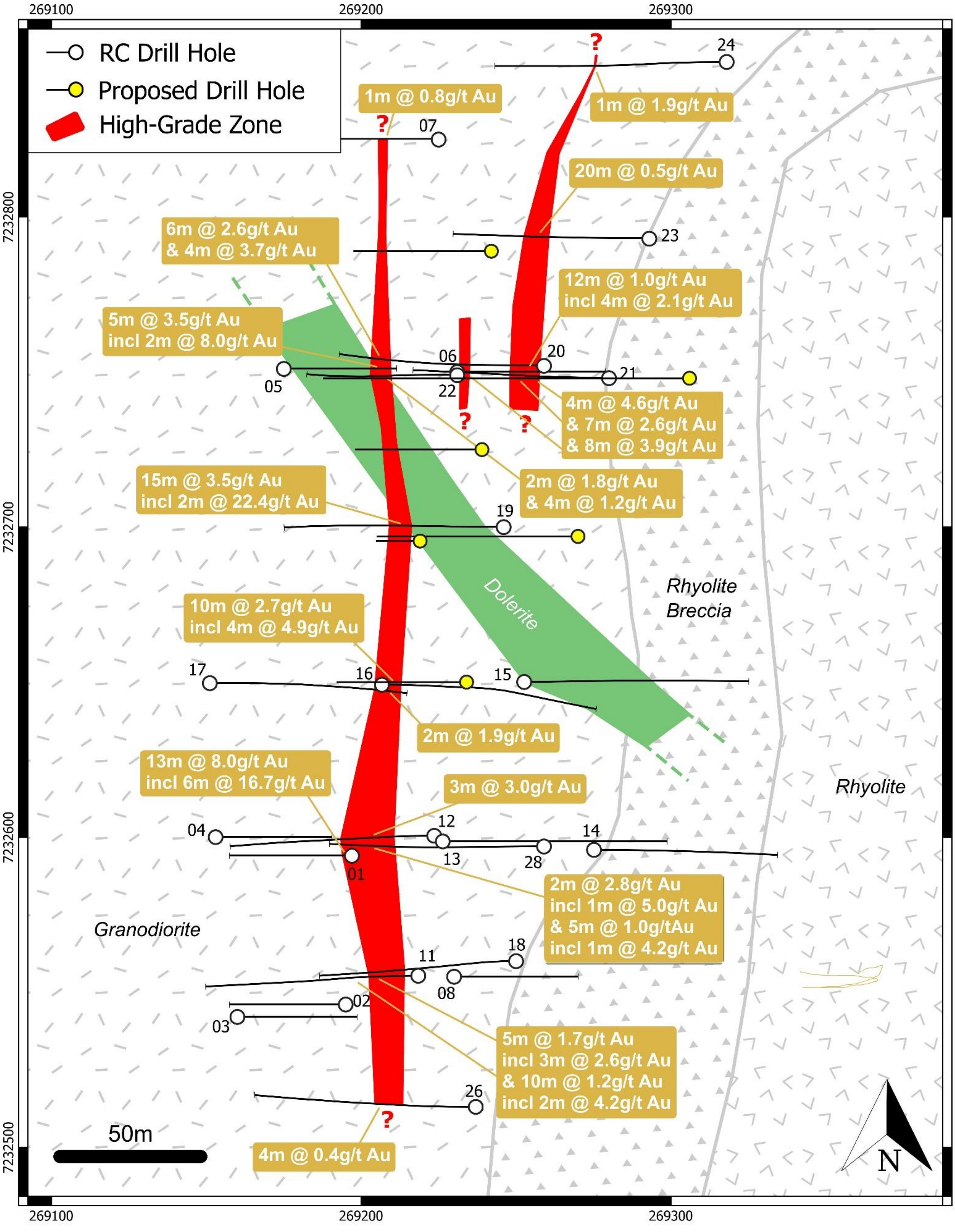


Figure 2: Red Mountain Plan Showing High-Grade Gold Zone and Planned Drilling

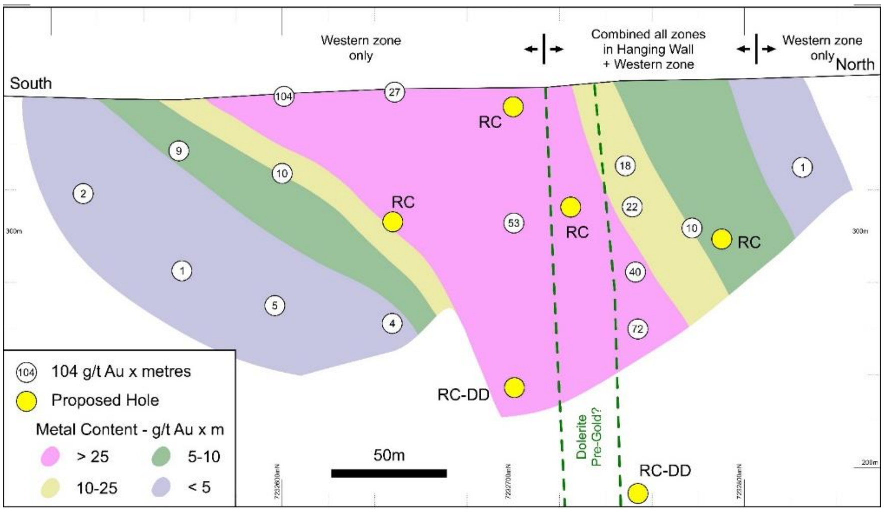


Figure 3: Long Section - Red Mountain Western Zone High-Grade Gold with Gold Metal Content Contours (Location of proposed holes subject to change)

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 identified 18 high-quality gold drill targets in the north eastern sector of the Company's 100% owned Split Rocks project (Figures 4 & 5). First pass testing was completed during the quarter on 10 of those 18 targets, with two phase of drilling in a combined 220-hole (11,125m) aircore drilling program to bedrock refusal to test the near surface gold potential. As discussed in the Split Rocks highlights section strong drill results were returned from multiple target areas including Dulcie Laterite Pit, Dulcie North and Far North. Drilling at the NW target zone failed to return any significant results, whilst phase 2 follow-up drilling at Estrela provided sufficient encouragement to continue to test the identified structural target further along strike to the north. The mineralised structure at Estrela appears to be present but disrupted by numerous unmineralized pegmatites.

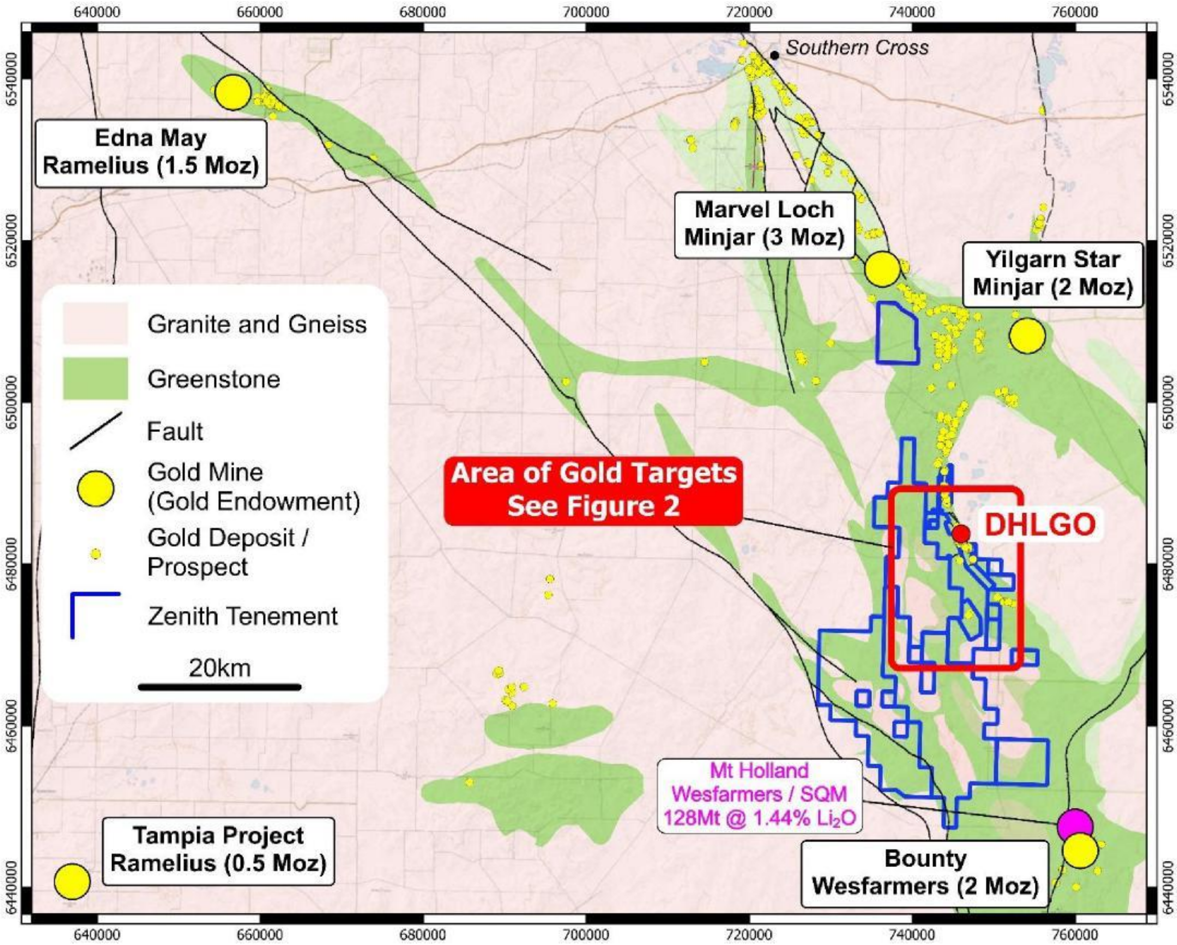


Figure 4- Split Rocks Project Location Map Showing Zenith tenements, DHLGO Prospect and Regional Gold Endowment

**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).*

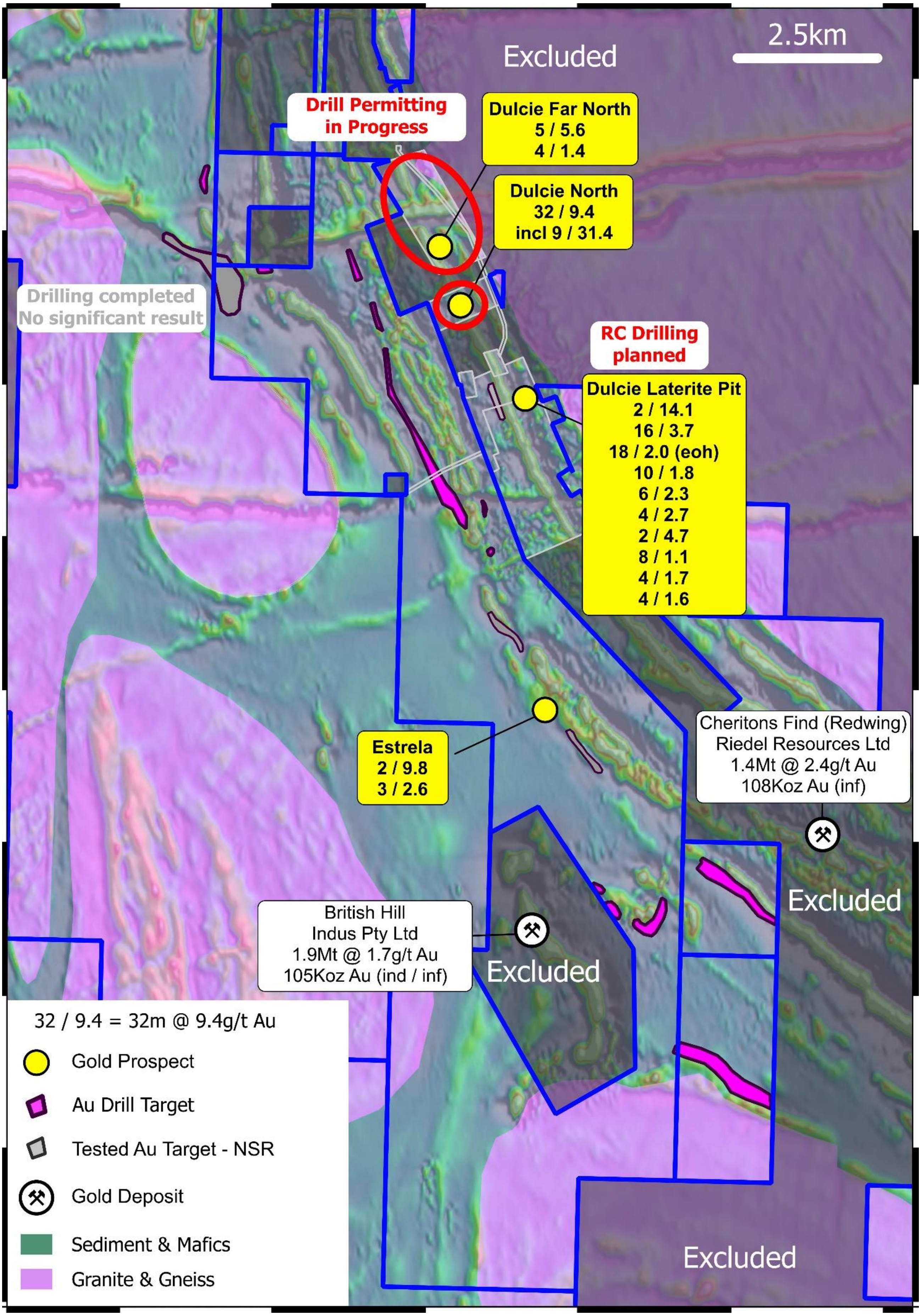


Figure 5: Split Rocks Project Gold Targets and Significant Aircore Drill Results (yellow captions) showing gold drill targets, and areas of Planned Drilling

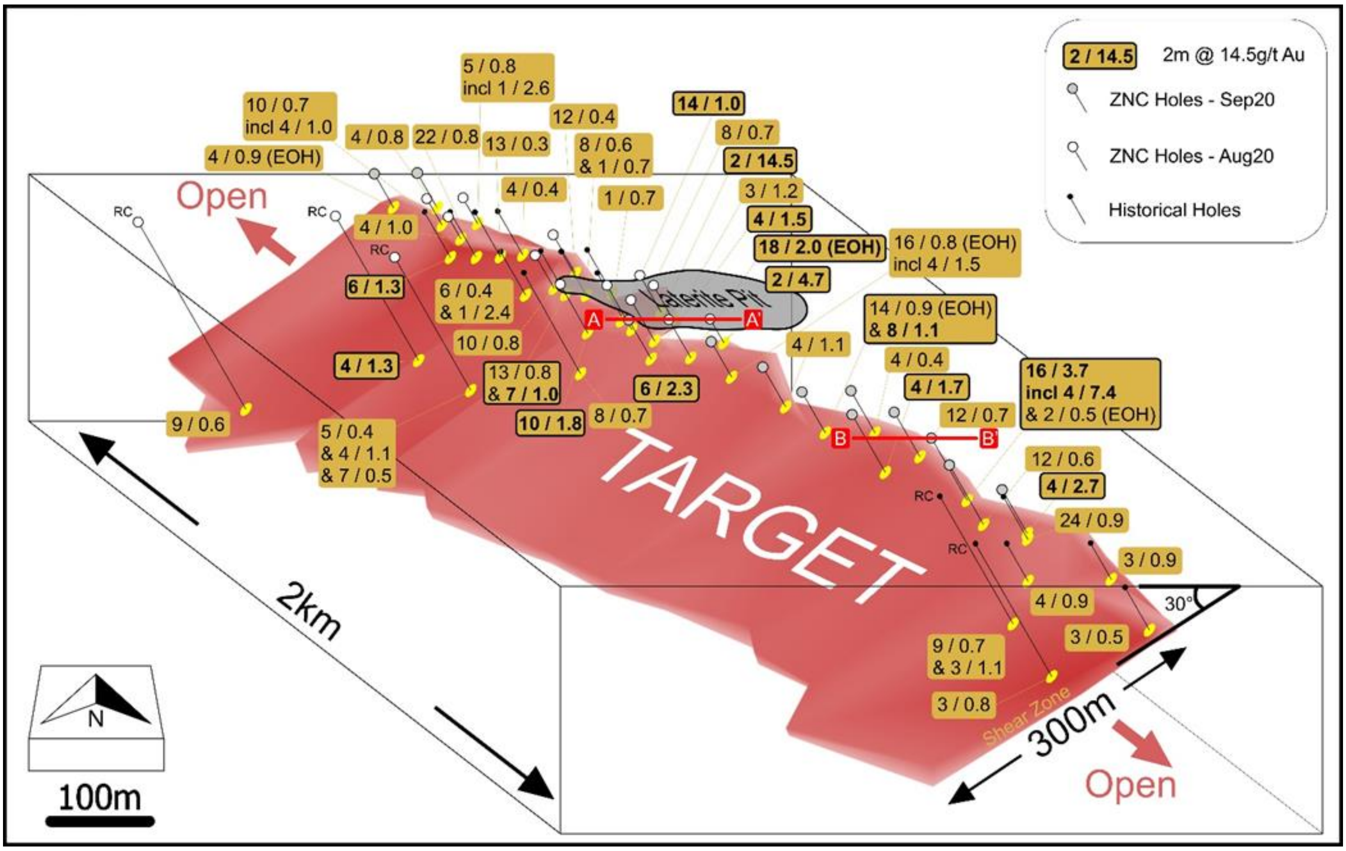


Figure 6: Split Rocks Project – 3D View of Dulcie Laterite Pit Significant Drill Results and Bedrock Gold Drill Target (0.2 g/t Au minimum cut-off, maximum 8m internal dilution) only holes effectively testing the target zone are shown

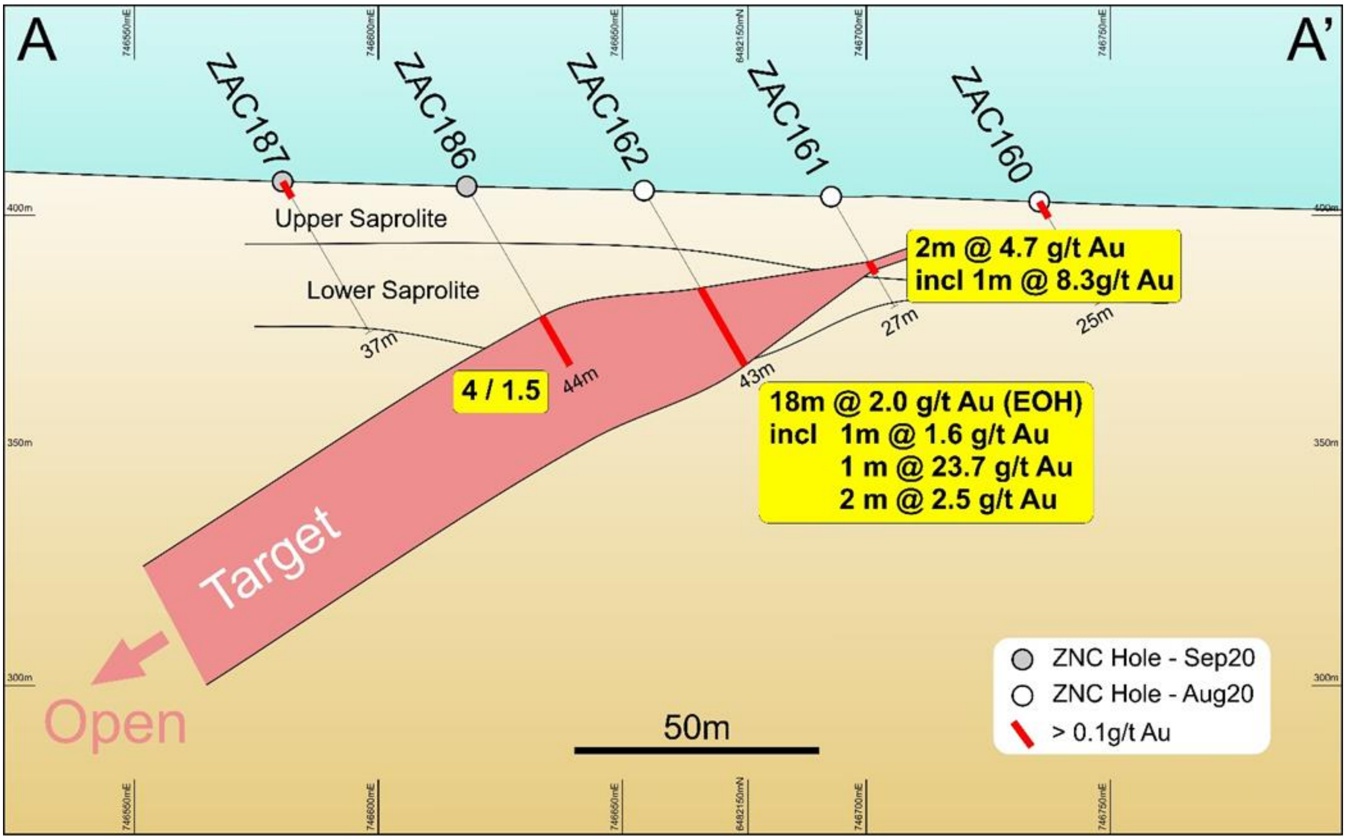


Figure 7a: Split Rocks Project –Dulcie Laterite Pit Cross Section A-A' Significant Drill Results and Bedrock Gold Drill Target

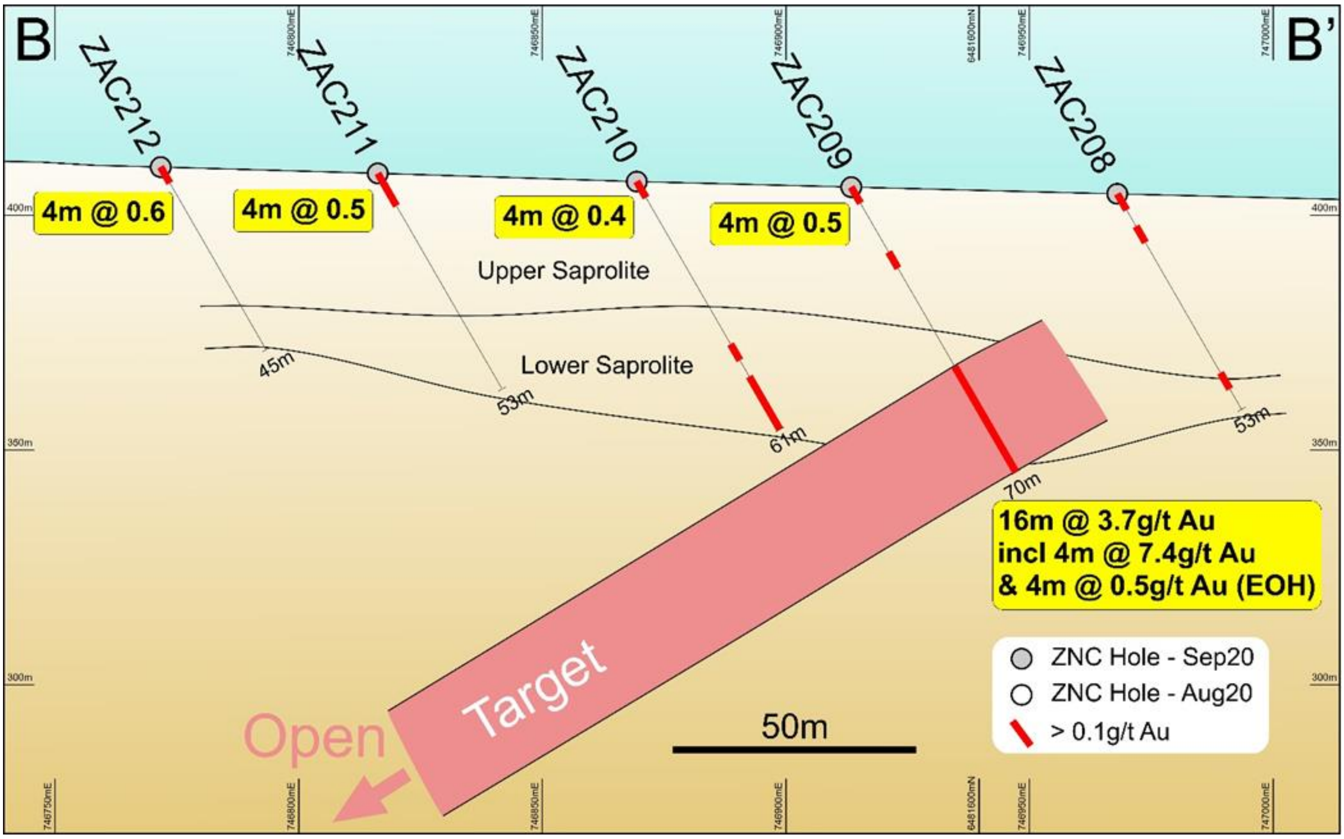


Figure 7b: Split Rocks Project –Dulcie Laterite Pit Cross Section B-B' Significant Drill Results and Bedrock Gold Drill Target

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 Forrestania greenstone belt for lithium. 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).

JACKADGERY GOLD PROJECT – New South Wales (Zenith earning 90%)

Jackadgery Prospect Background

The privately owned Jackadgery gold project is located east of Glen Innes in northern New South Wales (Figure 8).

Historic workings at Jackadgery comprise several shallow shafts sunk in the 1870's and two later, large areas of surface gold sluicing. These historic gold workings occur in a sequence of Carboniferous-Permian greywacke and siltstone intruded by small intermediate sub-volcanic trachyte to micro-monzonite of likely Permian or Triassic age.

Quartz veining at surface is relatively widespread with veins dipping generally eastward at 400 to 600. Sulphides comprise almost entirely pyrite-arsenopyrite +/- pyrrhotite.

The last significant exploration activity was carried out in 1983-85 by Kennecott and Southern Goldfields Ltd. Activity included a 220m long backhoe trench into weathered quartz veined bedrock across the main (northern) area of alluvial gold sluicing, which averaged 1.2 g/t Au across the interval 0-160m (with 5m composite assay intervals ranging up to 18.0 g/t and 7.1 g/t Au) (Figure 9). Sample assay repeats of higher-grade zones indicate some degree of variability in results which is commonly associated with the presence of coarse gold.

In addition, chip channel samples taken across individual quartz veins in an area (20m x 20m) immediately north west of the trench returned an average of 5.6 g/t Au from 6 samples, whilst sampling of veins in a second area (40m x 50m) south east of the trench averaged 0.8 g/t Au from 8 samples.

More recent exploration activity by the vendors included an induced polarisation (IP) geophysical survey (3 lines) over the trench area that defined a sub-surface chargeability high – resistivity high zone coincident with the area of alluvial gold workings and gold rich quartz stockwork veins identified in the trench.

From the available data the style of gold mineralisation is consistent with intrusion related gold systems. An existing drill permit will be revised to allow for an initial fence of drill holes to effectively test beneath the wide zone of near surface gold mineralisation outlined by the historic backhoe trench and the surface rock chip channel samples. This drill program is anticipated to commence in the 4th calendar quarter this year.

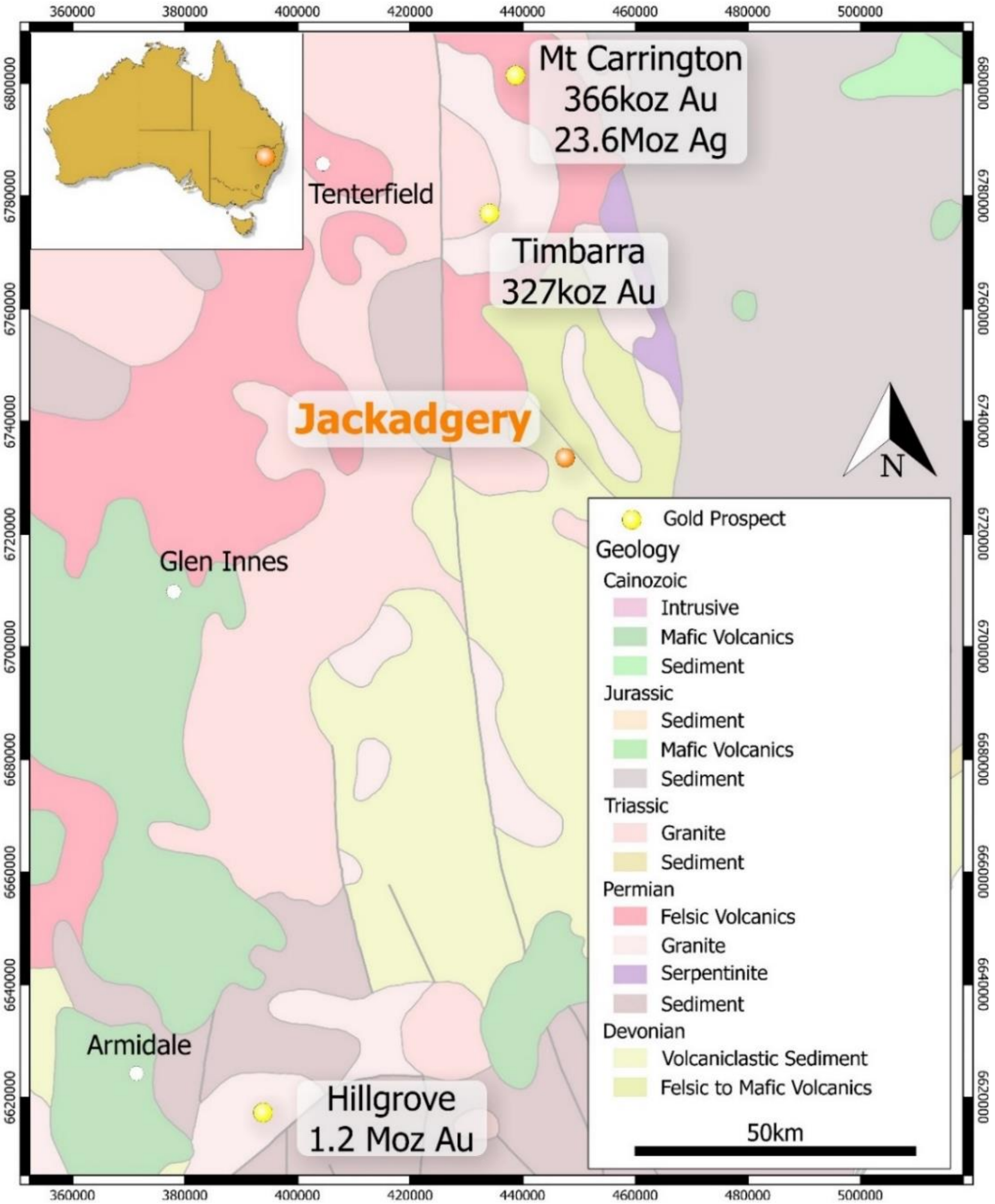


Figure 8: Jackadgery Location Map, Geology Base & Regional Gold Endowment

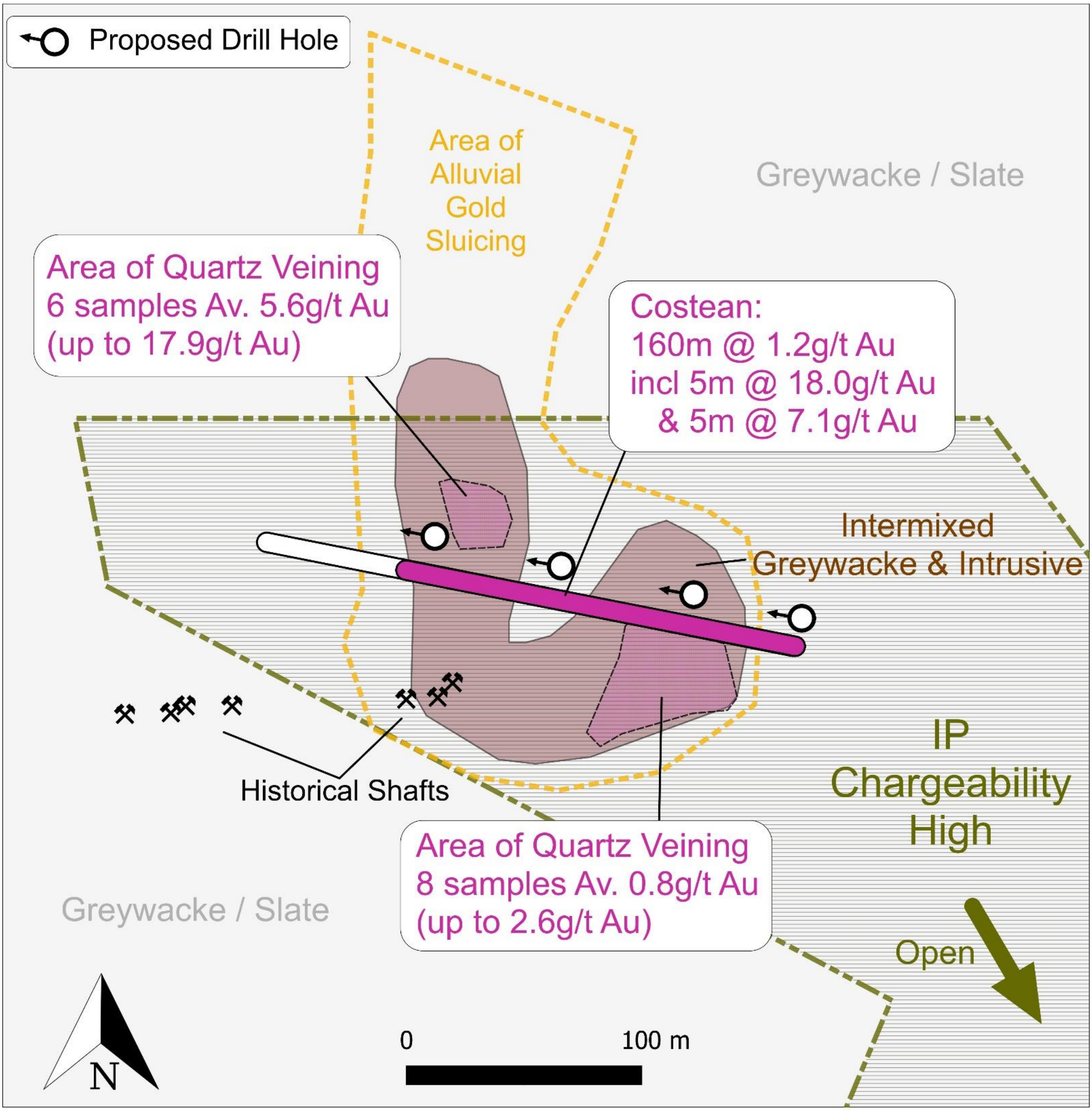


Figure 9: Jackadgery Project – Target Summary
(Zenith planned drill hole locations are subject to final design, access & permitting)

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, systematic soil sampling grids were completed at both the Flanagans and nearby Blackall copper prospect areas, with samples returning a maximum value of 1.5 g/t Au (1500ppb Au) at Flanagans and 0.4g/t Au (404ppb Au) at Blackall.

Zenith's surface geochemical sampling to date is yet to define a robust drill target. Additional gold and copper prospect areas within the tenement area require assessment.

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

Develin Creek Project Background

The Devein 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.

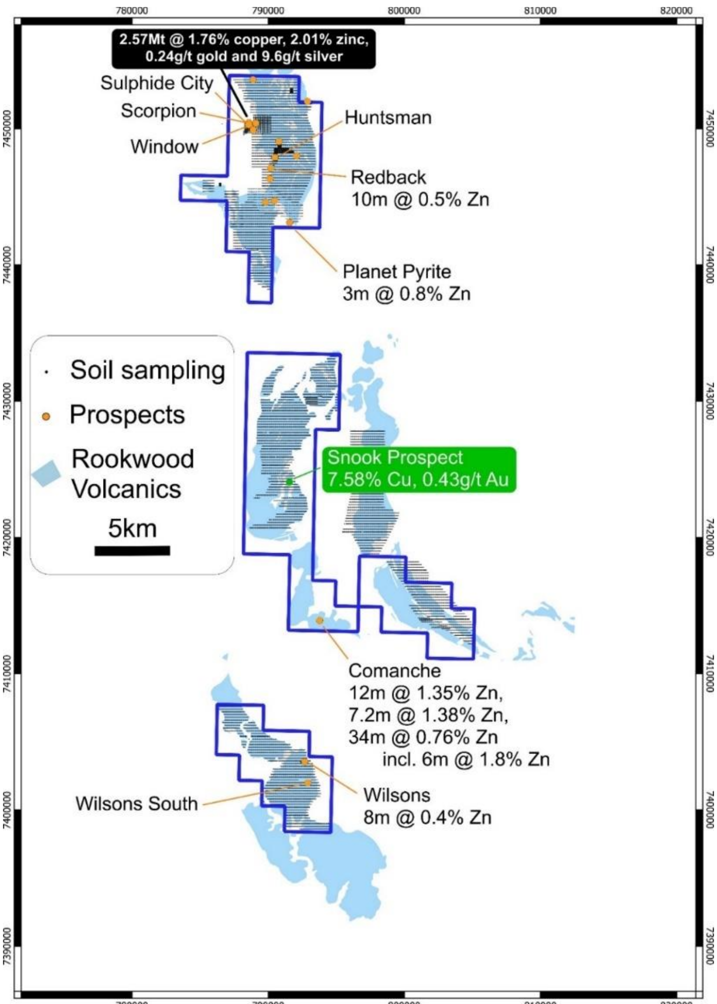


Figure 10: Develin Creek Prospects and Geochemical Anomalies

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 were partners are funding exploration include:

- Earaheedy Zinc – Australia (Rumble ASX:RTR)
- Kavaklitepe Gold - Turkey (Teck affiliate)
- American Lithium (Bradda Head Ltd)
- Wyoming REE (American Rare Earths Limited, ASX:ARR)

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

Petrographic and minergraphic (microscope) studies of drill samples were completed during the quarter confirming the geological model used for targeting Earaheedy zinc-lead mineralisation.

Planned Activities

Follow-up drilling planned to commence in November 2020.

Background on Earaheedy Zinc Project

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

Zenith holds a 25% interest in the Earaheedy 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 4.1M RTR shares received as part consideration from Rumble.

Rumble outlined a shallow Exploration Target^ at the Earaheedy 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 Earaheedy to be a world class Tier 1 base metal province.

^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.

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

Activities During the Quarter

Zenith's 100% owned Laramie REE Project was divested to dedicated American REE explorer American Rare Earths Limited (ASX:ARR) during the quarter (ASX release 6-Aug-20). The divestment agreement includes payment to Zenith of a non-refundable deposit of $10,000, and a further $40,000 cash payment and 2,500,000 ARR ordinary shares upon satisfaction of conditions including the conversion of exploration permits to mineral leases, which are anticipated to occur in November this year.

Background on Laramie REE Project

As announced to the ASX (17-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.

KAVAKLITEPE GOLD PROJECT – TURKEY (ZENITH ~20%)

Activities During the Quarter

A program of 5 widely spaced diamond drill holes of approximately 300m depth each has commenced to test for the potential of gold mineralization between the known gold prospects.

Two phases of additional roadcut channel sampling were 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

Completion of the current diamond drill program. 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.

VIVASH GORGE IRON PROJECT – WA (ZENITH 100%)

Activities during the quarter

Partner RTX completed their assessment of the Vivash Gorge iron ore project during the quarter and has elected to not proceed with an option on the project.

Planned Activities

Zenith is awaiting return of 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 Dec 2019 quarter.

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% Li_2O and tantalum up to 1165ppm Ta_2O_5. 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:

- Assessment of various 3rd party gold and base metal properties in Australia and overseas.
- 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	E45/4445		100%	0%
Interests in mining tenements and petroleum tenements acquired or increased	EPM8389		nil	Right to earn 90%

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.

Authorised for release by the Zenith Minerals Limited Board of Directors **30th October 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	Quarter ended ("current quarter")
96 119 397 938	30 September 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	37	37
1.2	Payments for		
	(a) exploration & evaluation (see Note to 1.2(a))	(486)	(486)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(227)	(227)
	(e) administration and corporate costs	(214)	(214)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	73	73
1.8	Other (provide details if material)	-	
1.9	**Net cash from / (used in) operating activities**	**(817)**	**(817)**

Note to 1.2(a) – For the quarter ended 30 September 2020, $486 (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.

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(1)	(1)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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	44	44
	(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**	**43**	**43**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,100	5,100
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	(291)	(291)
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 – Repayment of lease liability	(19)	(19)
3.10	**Net cash from / (used in) financing activities**	**4,790**	**4,790**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	968	968
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(817)	(817)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	43	43
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,790	4,790

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	-	-
4.6	**Cash and cash equivalents at end of period**	**4,984**	**4,984**

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	4,968	952
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)**	**4,984**	**968**

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	89
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *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.*	**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	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.		
	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.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(817)
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)	(817)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,984
8.5	Unused finance facilities available at quarter end (item 7.5)	15
8.6	Total available funding (item 8.4 + item 8.5)	4,999
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6

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.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?

Answer:

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?

Answer:

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 October 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.