

13th January 2022



Corporate Details

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

Issued Shares	323.1M
Unlisted options	14.5M
Mkt. Cap. (\$0.29)	A\$93.7M
Cash (30 th Sep 21)	A\$6.2M
Equities (30 th Sep 21)	A\$8.3M
Debt	Nil

Directors

Michael Clifford	Director-CEO
Stan Macdonald	Non-Exec Director
Julian Goldsworthy	Non-Exec Director
Nicholas Ong	Co Sec
Nick Bishop	CFO

Major Shareholders

Directors	3.4%
HSBC Custody. Nom.	9.4%
Citicorp Nom	9.0%
BNP Paribas. Nom.	5.8%
Granich	3.7%

Our Vision

Zenith has a vision to maximise shareholder value through superior project generation and exploration activities.

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

Contact Us

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MAJOR NEW LITHIUM JOINT VENTURE WITH EV METALS GROUP

- Zenith to refocus on lithium, and related EV-metals, backed by a new joint venture with the EV Metals Group (EVM).
- Key commercial terms of the new lithium joint venture includes:
 - EVM may earn a 60% interest in the lithium rights in two initial 100% owned Zenith projects Waratah Well and Split Rocks by sole funding the completion of a feasibility study within 24 months, with Zenith retaining a 40% project share.
 - On and from completion of a feasibility study, Zenith and EVM will form a joint venture in respect of the project lithium rights. EVM will sole fund expenditure to a decision to mine, following which the parties will be required to fund future joint venture expenditure in accordance with their respective percentage shares.
 - EVM must arrange all financing for the development, construction and commissioning of any future mine including Zenith's share. Zenith must repay its proportionate share of the project finance including interest from the sale of its proportionate share of minerals produced.
 - EVM to spend a minimum of A\$7M on exploration on the projects, in 24 months, before being able to voluntarily withdraw provided that if EVM does not complete a feasibility study within 24 months it will be deemed to have withdrawn and will not earn an interest in the project lithium rights.
- The agreement includes a new joint venture over Zenith's Split Rocks and Waratah Well projects in Western Australia, as well as a non-exclusive right to bring additional projects to the joint venture by either party, to explore for lithium/EV metals.
- EVM or its nominee to subscribe for 20,000,000 ordinary ZNC shares @ \$0.30 cents per share (representing a premium of 20% above the VWAP for ZNC shares for the preceding 10 Business Days) to raise A\$6M (Placement), with funds applied to source new lithium opportunities, near term advancement of its gold and base metals portfolio and towards working capital. Shares will be issued under the Company's ASXLR 7.1A placement capacity. Settlement of the placement will take place on or about Monday, 17 January 2022. The Placement funds are not joint venture funds and can be deployed at Zenith's discretion.

- To allow the Zenith team to focus on EV-metal project generative activities, it is planned that the non-EV-metal projects, including base metals and gold assets will be demerged into one or more new companies to be listed on ASX. Any such demerger will be subject to ZNC Board approval, tax advice favourable to the Company, shareholder, ASX, ASIC and other regulatory approvals. ZNC shareholders to benefit by way of an in-specie distribution of the shares in the new listed vehicle/s. Further updates and information on the Demerger will be provided by Zenith in due course.

Commenting on the new lithium joint venture, CEO Michael Clifford said: *"I am delighted that Zenith has been able to team up with EVM to unlock the lithium potential of its Split Rocks and Waratah Well projects. The arrangement goes much deeper than just the joint venture on these two existing Zenith projects, Split Rocks and Waratah Well, with the parties also agreeing to jointly assess new lithium/ EV-metal opportunities throughout Australia where commercially appropriate to do so".*

"The new joint venture arrangement plays to the project generation strengths of the Zenith team, matching this up with the very strong commercial and engineering capability of the EVM group. The arrangement puts Zenith in a unique position to build a significant lithium business in conjunction with EVM".

"Regarding the existing gold and base metals assets, EVM has agreed to provide their commercial and legal support to spinout these assets into one or more new listed entities. With EVM's financial backing and appropriate human resourcing we have a pathway to unlocking the value of Zenith's project portfolio."

Michael Naylor, Managing Director of EVM, added: *"Zenith is an ideal strategic partner for EVM and this is the logical first transaction for our wholly-owned subsidiary Australian Lithium Alliance, part of a broader strategic initiative we have launched alongside this transaction."*

ABOUT EVM

EV Metals Group (EVM) is focused on becoming a global leader in battery chemicals and technology for a clean energy future. EVM will produce high purity chemicals and cathode active materials required in rechargeable lithium-ion batteries used in electric vehicles and renewable energy storage. We are committed to clean energy for future generations.

EVM's aim is to build a global battery chemicals and technology business which is now at the stage of completing front end engineering and design for the development of the world's first integrated Battery Chemicals Complex in Yanbu Industrial City in the Kingdom of Saudi Arabia.

ZNC-EVM LITHIUM JOINT VENTURE

Key commercial terms of the joint venture include:

- EVM may earn a 60% interest in two initial 100% owned Zenith projects Waratah Well and Split Rocks by sole funding Zenith is free carried to completion of a feasibility study, with Zenith retaining a 40% project share
- EVM must arrange all financing for the development, construction and commissioning of the mine including Zenith's share. Zenith must repay its proportionate share of the project finance including interest from the sale of its proportionate share of minerals produced. Details of capital expenditure debt repayments including deadlines will be the subject of a future detailed production joint venture and financing agreement, yet to be negotiated.
- EVM to spend a minimum of A\$7M on exploration on the Split Rocks or Waratah Well projects, or on any new projects that the parties mutually agree to bring under the joint venture, in 24 months, before EVM may voluntarily withdraw from the joint venture on 30 days' notice, provided that if EVM does not

complete a feasibility study within 24 months it will be deemed to have withdrawn and will not earn an interest in the project lithium rights.

- EVM has total discretion on how expenditure is spent on joint venture projects.
- If EVM fails to complete a feasibility study within 24 months from the date of this agreement then EVM will have deemed to have withdrawn and this agreement will terminate.
- The agreement includes a new lithium rights joint venture over Zenith's Split Rocks and Waratah Well projects in Western Australia (Figures 1 - 3) and encompasses an area of influence (AOI) that extends in a circle with a diameter of 50km from the centre of each project area. If either party wishes to acquire a tenement within the AOI it must first offer the other party the right to acquire its respective joint venture interest within that tenement.
- Zenith retains non-lithium metal rights on the two projects, Split Rocks and Waratah Well.
- Each party has a non-exclusive right to bring additional projects to the joint venture, to explore for lithium/EV metals. Should the parties mutually agree to bring new projects into the lithium joint venture the above terms will apply, subject to each party funding their pro-rata cost of any initial acquisition. Should any additional project be acquired where the percentage ownership of the joint venture totals less than 100%, then the joint venture partners will own that share on a 60:40 basis, (EVM - 60% : ZNC - 40%).
- The agreement is subject to a number of other industry standard clauses and conditions such as: force majeure, legal jurisdiction, warranties, confidentiality and GST with the joint venture terms and conditions of a more formal replacement agreement being consistent with the Energy and Resources Law Association (AMPLA) model Exploration 2 Party Farmin JV Agreement (Minerals) Approved Version 2.

EVM AND THE FORWARD PROGRAM

- Zenith has had numerous meetings with EVM over the past 2 months, including meetings with their Managing Director, CFO, engineering consultants (Wood), inhouse legal counsel, process engineers and geological team. More recently upon signing Zenith has commenced the setup of a joint venture working committee in conjunction with EVM to agree on work programs and discuss implementation of exploration programs at Waratah Well and Split Rocks including but not limited to: staffing, drilling, geochemical and geological contractor engagement, assay laboratory engagement, and permitting. In addition, checks on the background of individual EVM management team members via online searches and industry network reference checks have been completed.
- Zenith has sighted EVM Australian bank statements showing funding sufficient to meet the minimum commitment under the joint venture.
- To achieve a successful feasibility study - exploration drilling, metallurgical testwork, geotechnical studies, metallurgical testwork, resource estimation, mining studies, environmental studies, permitting and financing will be required to be completed within a 24-month period,
- Joint Venture activities are anticipated to commence shortly with exploration drill program planning underway for the Waratah Well and Split Rocks projects. Any such future activity, should it be material, will be the subject of future ASX releases.

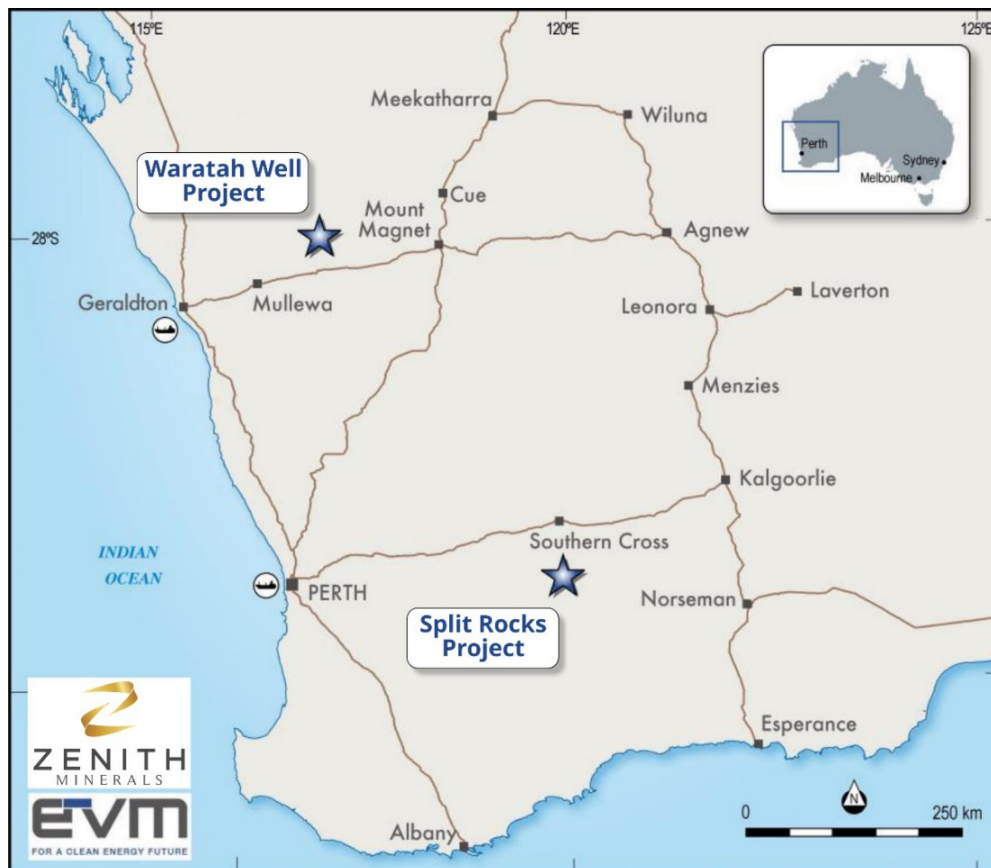


Figure 1: ZNC-EVM Joint Venture Project Locations

SPLIT ROCKS PROJECT

Zenith has been systematically exploring the Split Rocks project, with landholdings of approximately 660 sqkm in the Forrestania greenstone belt, for lithium (Figure 2). This emerging lithium district is host to SQM-Wesfarmers Mt Holland/Earl Grey lithium deposit containing a Measured, Indicated & Inferred Mineral Resource of 189Mt @ 1.5% Li₂O (66Mt @ 1.58 %Li₂O Measured, 106Mt @ 1.52% Li₂O Indicated and 17Mt @ 1.11% Li₂O Inferred) (reported in KDR:ASX Release 19-Mar-2018).

Drill testing of three large, lithium pegmatite targets on the Split Rocks joint venture ground is planned to commence in early 2022 on finalisation of drill permits: Dulcie, Rio and British Hills East.

The Dulcie pegmatite (located within E77/2388) has been the subject of previous Zenith drilling, intersecting a flat lying pegmatite up to 77m thick that remains open ended to the north where the pegmatite rock chemistry shows higher levels of fractionation, a positive indicator for lithium fertility.

The Rio pegmatite is also a flat lying pegmatite, up to 65m thick, that has been intersected in 3 historic diamond drill holes. Drilling is planned to assess this pegmatite target that remains open in all directions.

At British Hills East, historic shallow, RAB and AC drilling intersected pegmatites over 2.7km of strike, with one hole intersecting 53m of pegmatite to end of hole.

In addition, several lithium surface anomalies generated by Zenith through limited soil and auger sampling in the central west and northern portions of the project area require drill testing. Large areas considered prospective around granite margins in the centre of the project area are yet to be screened by surface sampling. Surface sampling programs will kick off in early 2022 to assess these zones.

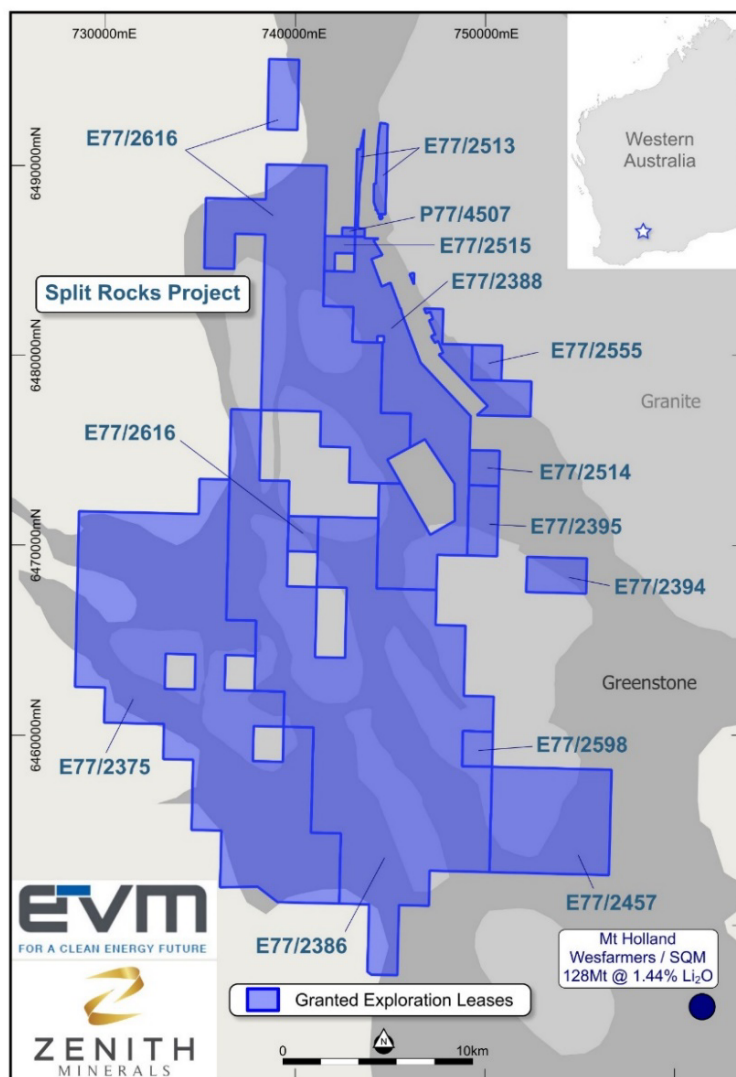


Figure 2: Split Rocks Lithium Joint Venture Project

WARATAH WELL PROJECT

The Waratah Well Project is located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region of Western Australia (Figure 1). The coastal town of Geraldton is situated 190km west of the project where a bulk port facility is used for the export of mining concentrates. In addition, the Dampier to Bunbury Gas pipeline runs parallel to the Geraldton – Mt Magnet Road that lies immediately south of the project.

Tantalum and locally lithium bearing pegmatite sills and dykes crop out over a 3km x 2km area with a range of dips from 60° to flat lying and thickness from 0.5m to 21m (Figure 3) – refer to ASX Release 27-Apr-18, 30-Apr-20 and 3-Nov-21):

- Lithium rock chip sample grades up to 2.09% Li₂O in the north-western portion of the target area.
- At the north-eastern end of the pegmatite outcrop area 14 closely spaced stacked dykes occur where surface composite rock chip sampling has returned tantalum grades including 262, 299, 360, 366, 421 & 573 ppm Ta₂O₅; this zone is open ended to N, NE & SE where it runs under surface soil cover.
- A second area of dykes returned similarly high tantalum values such as 207, 250, 323, 518, 616, 1184 ppm Ta₂O₅.
- A third zone of narrower dykes occurs in the northwest of the pegmatite belt but with very high grades of 708, 995, 1007, 1166 and 1221 ppm Ta₂O₅.

The key lithium target is to drill for blind lithium spodumene mineralisation beneath the tantalum bearing dykes a geological architecture similar to that noted at the Bald Hills lithium mine (formerly owned by ASX:TAW).

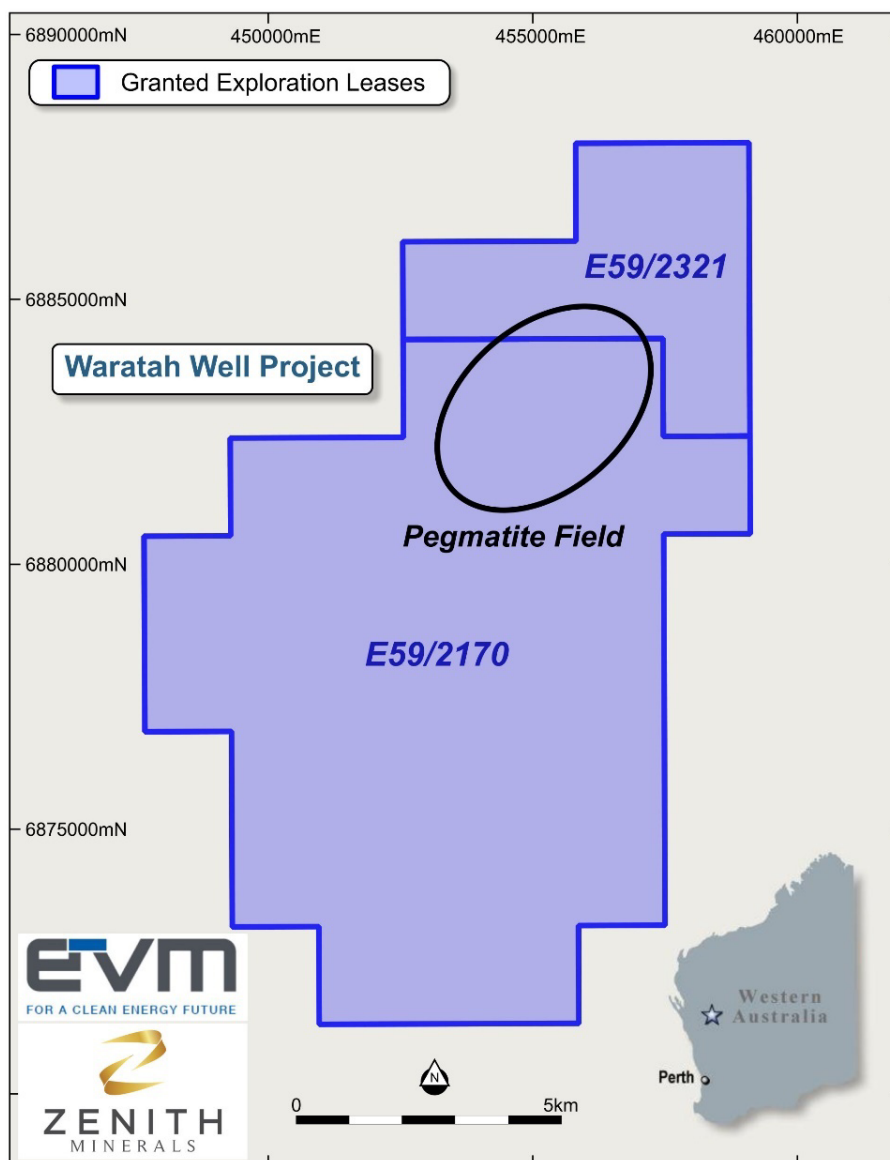


Figure 3: Waratah Well Lithium Joint Venture Project

FUNDS RAISED

EVM or its nominee to subscribe for 20,000,000 ordinary ZNC shares @ \$0.30 cents per share (representing a premium of 20% above the VWAP for ZNC shares for the preceding 10 Business Days) to raise A\$6M (Placement). Shares will be issued under the Company's ASXLR 7.1A placement capacity. Settlement of the Placement will take place on or about Monday, 17 January 2022.

Funds will be applied towards:

- The assessment and acquisition of new lithium / EV metal opportunities up to \$6M
- near term advancement of its gold and base metals portfolio and or funds for the demerged entity holding those assets \$2M to \$4M
- towards working capital including funding legal and administrative costs of the demerger of the gold and base metal assets – approximately \$1M

ABOUT ZENITH

In addition to its lithium assets at Split Rocks and Waratah Well, Zenith Minerals Limited has a portfolio of gold and base metal assets in Western Australia and Queensland.

A new major zinc discovery at Earraheedy in Western Australia is to be fast tracked with extensive accelerated exploration programs underpinned by a recent \$40M capital raising by partner Rumble Resources Limited (ASX:RTR) (ASX Releases 28-Apr-21, 2-Jun-21, 8-Jun-21, 18-Oct-21, 13-Dec-21 and 21-Dec-21).

In Queensland an Inferred Mineral Resource 2.57Mt @ 1.76% Cu, 2.01% Zn, 0.24g/t Au & 9.6g/t Ag (ASX Release 15-Feb-15) underpins the Company's Develin Creek massive copper-zinc sulphide project. Recent 2021 drilling intersected massive copper-zinc sulphides at 2 new prospects, Wilsons North & Snook, a testament to the prospective nature of the extensive landholdings.

At Red Mountain in Queensland, drilling programs are planned to follow-up the high-grade near surface gold and silver intersected in Zenith's maiden & subsequent drill programs (ASX Releases 3-Aug-20 & 13-Oct-20, 9-Nov-20, 21-Jan-21 and 19-May-21).

Drilling returned high-grade near surface gold mineralisation at multiple targets in the Split Rocks gold project in the Western Australian goldfields (ASX Release 5-Aug-20, 2-Sep-20, 19-Oct-20, 28-Oct-20, 15-Jan-21, 11-Mar-21, 21-Apr-21, 24-Jun-21, 30-Sep-21).

For further information please refer to the Company's website or contact the Company directly.

Authorised for release by the Zenith Minerals Limited Board of Directors – 13th January 2022

For further information contact Zenith Minerals Limited:

Director: Michael Clifford E: mick@zenithminerals.com.au Phone: +61 8 9226 1110

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources 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.

Material ASX Releases Previously Released

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Company's 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 and that the material assumptions and technical parameters remain unchanged.

Zenith Minerals Limited (ASX:ZNC)

Zenith has a vision to maximise shareholder value through superior project generation and exploration activities.

Focus is on 100% owned Zenith projects, whilst partners progress multiple additional opportunities using third party funds. Key Australian gold and copper projects include:

Earaheedy	Zinc	Western Australia	25% free carry to BFS
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New major zinc discovery to be fast tracked with extensive accelerated exploration program underpinned by a recent \$40M capital raising by partner Rumble Resources Limited (ASX:RTR) (ASX Releases 28-Apr-21, 2-Jun-21, 8-Jun-21, 18-Oct-21, 13-Dec-21).

Develin Creek	Copper - Zinc	Queensland	100% Owned
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Inferred Mineral Resource 2.57Mt @ 1.76% Cu, 2.01% Zn, 0.24g/t Au & 9.6g/t Ag (ASX Release 15-Feb-15). Massive sulphides intersected at 2 new prospects Wilsons North & Snook.

Sulphide City (ASX Release 5-Jul-21).	34m @ 3.5% Cu+Zn incl 10m @ 6.0% Cu+Zn	29m @ 3.5% Cu+Zn incl 12.3m @ 6.7% Cu+Zn
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Red Mountain	Gold	Queensland	100% Owned
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Drilling is following-up the high-grade near surface gold and silver intersected in the maiden & subsequent drill programs (ASX Releases 3-Aug-20 & 13-Oct-20, 9-Nov-20, 21-Jan-21, 19-May-21).

Results incl:	13m @ 8.0 g/t Au 5m @ 10.4 g/t Au	15m @ 3.5 g/t Au 12m @ 4.9 g/t Au
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Split Rocks	Gold	Western Australia	100% Owned
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Zenith drilling returned - high-grade near surface gold mineralisation at multiple targets (ASX Release 5-Aug-20, 2-Sep-20, 19-Oct-20, 28-Oct-20, 15-Jan-21, 11-Mar-21, 21-Apr-21, 24-Jun-21, 30-Sep-21). Results include:

Dulcie North	32m @ 9.4 g/t Au, incl 9m @ 31.4 g/t Au	16m @ 1.3 g/t Au
Dulcie Laterite Pit	2m @ 14.5 g/t Au 14m @ 3.5 g/t Au	18m @ 2.0 g/t Au
Estrella	2m @ 9.8 g/t Au	
Dulcie Far North	5m @ 5.6 g/t Au	3m @ 70 g/t Au
Water Bore	3m @ 6.6 g/t Au	
Scotts Grey	8m @ 4.1 g/t Au	4m @ 4.8 g/t Au

Investments



43.9M shares in Bradda Head Holdings Limited (AIM)



3.88M shares in Rumble Resources Limited (ASX:RTR)



2.5M shares in American Rare Earths (ASX:ARR)



0.5M shares in Nickel-X Limited (ASX:NKL)