

DIVESTMENT

Develin Creek Copper-Zinc Project - QLD

Investment Highlights

Zenith Minerals (ASX:ZNC) (“**Zenith**”, or the “**Company**”) is pleased to advise of the sale of its Develin Creek Copper-Zinc Project in Queensland to QMiners Limited (ASX:QML), the owner of the nearby Mt Chalmers copper-gold project. The sale provides Zenith with immediate cash and allows for the group to maintain a focus on the development of our lithium assets.

- A legally Binding Term Sheet has been executed with QML for the sale of the Develin Creek Copper-Zinc Project in Queensland.
- QML to acquire 100% interest, for up to \$4.5M in cash and shares, plus additional work commitments.
- The consideration includes:
 - An up-front payment to Zenith of \$1.2M cash and \$1M worth of QML shares for a 51% interest.
 - Within 12 months QML must complete 500m of diamond drilling and a detailed metallurgical study on the existing Develin Creek Inferred Mineral Resource.
 - At 12 months QML must pay a further \$1.3M cash and issue another \$1M worth of QML shares* to Zenith for an additional 49% interest (Additional Interest Completion Date).

*The second tranche payment by QML may be adjusted down to \$0.975M cash and \$0.6875M worth of QML shares, should the detailed metallurgical study show zinc concentrate grades below 50% or that a 50% zinc concentrate grade is not commercially achievable.

Funds received by Zenith under the divestment will be applied towards advancing the Company’s lithium and gold project portfolio and working capital. All QML shares received by Zenith as consideration will be subject to a voluntary escrow period of 6 months.

Background on Develin Creek

The Develin Creek Copper-Zinc Project is located 80km northwest of Rockhampton. An Existing Mineral Resource for the Sulphide City – Scorpion – Window copper – zinc deposits at a 0.5% CuEq cut-off (ZNC ASX Release 8-Aug-22) includes:

Resource Category	Tonnes (Mt)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Indicated	2.2	1.3	1.3	0.2	8
Inferred	2.7	1.1	1.4	0.2	7
TOTAL	4.9	1.2	1.4	0.2	7

Copper equivalence CuEq = (Cu + 0.45*Zn) and based on current rounded metal prices in June 2022 of A\$8400/tonne Cu, A\$3300/t Zn and preliminary recoveries for Cu of 72% and Zn or 82%.

In addition, the Snook Prospect is located 30km south of the Sulphide City Mineral Resource. An initial drill test in 2020 intersected 3m of massive and semi-massive sulphides at a depth of only 20m downhole. This zone returned: 3m @ 1.57% Cu, 1.07% Zn, 0.37% Pb, 43 g/t Ag and 0.2 g/t Au, including 2m of massive sulphide grading: 1.95% Cu, 1.34% Zn, 0.48% Pb, 55 g/t Ag and 0.3 g/t Au (ASX Release 7-Dec-20). Subsequent drilling by Zenith confirmed and extended the massive sulphide zone which remains open ended, requiring further drill testing (ASX Release 7-Oct-21, 16-Dec-21, 7-Jan-22 and 24-Mar-22).

About QMines Limited

QMines Limited (ASX:QML) is a Queensland based copper and gold exploration and development company. QMines' flagship project, Mt Chalmers, is located 17km northeast of Rockhampton.

Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 2.0% Cu, 3.6g/t Au and 19g/t Ag between 1898-1982. The Mt Chalmers project (including Woods Shaft) has a Measured, Indicated and Inferred Resource (JORC 2012) of **11.86Mt @ 1.22% CuEq for 144,700t CuEq** (QML ASX Release 22-Nov-22).

Resource Category	Tonnes (Kt)	Grades					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (t)	Pb (t)	Zn (t)	Au (Oz)	Ag (Oz)
Measured	4,227	0.89	0.09	0.23	0.69	4.97	37,759	3,923	9,832	93,769	675,547
Indicated	5,784	0.69	0.07	0.19	0.28	3.99	39,925	3,916	11,058	51,508	741,936
Inferred	1,311	0.60	0.13	0.27	0.19	5.41	7,907	1,716	3,494	7,964	228,104
Total	11,321	0.76	0.08	0.22	0.42	4.52	85,589	9,555	24,386	153,238	1,645,583

Mt Chalmers Measured, Indicated and Inferred Mineral Resource Estimate (at 0.3 % Cu cut-off), November 2022.

Resource Category	Tonnes	Grades		Contained Metal	
		Cu (%)	Au (g/t)	Cu (t)	Au (Oz)
Inferred	540,400	0.50	0.95	2,700	16,440

Woods Shaft Inferred Mineral Resource Estimate (at 0.3 % Cu cut-off), November 2022.

QMines' objective is to grow its Mineral Resource base, consolidate assets in the region and assess commercialisation options. It has commenced an aggressive exploration program (+30,000m) providing shareholders with significant leverage to a growing Mineral Resource and exploration success.

Executive Chair David Ledger said:

"We are pleased to advise of the divestment of the Develin Creek Copper-Zinc Project to QMiners. The divestment provides Zenith with immediate cash but more importantly allows us to continue our focus on our lithium assets. This has been a deliberate reallocation of our resources where we believe we can maximise value for our shareholders. We will continue to review the asset base and monetise projects at the appropriate times."

For further information, please contact:

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About Zenith Minerals

Zenith Minerals Limited (ASX:ZNC) is an Australian-based minerals exploration company leveraged to the increasing global demand for metals critical to the production processes of new energy industrial sectors.

The Company currently has four lithium projects all located in Western Australia. Two projects, Split Rocks and Waratah Well, are being explored under the terms of a joint venture between Zenith and EV Metals Group (EVM). Split Rocks covers landholdings of approximately 660 km² in the Forrestania greenstone belt immediately north of the established Mt Holland lithium deposit. Waratah Well, located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region holds a lithium pegmatite with ongoing exploration required.

In January 2022, Zenith entered into a joint venture with EV Metals Group (EVM). EVM can earn a 60% interest in the lithium rights on two lithium projects, Split Rocks and Waratah Well, with Zenith retaining a 40% project share. Under the terms of the agreement Zenith is fully funded by EVM through to a bankable feasibility on any project development, such a study must be completed by January 2024.

Zenith has an additional two lithium projects. In January 2023, Zenith secured an option to acquire 100% of the Hayes Hill lithium – nickel project, located in the Norseman – Widgiemooltha area of Western Australia. A further project Yilmia, covers an 8 km long lithium prospective area in the Coolgardie district, some 13 km southeast of the recent Kangaroo Hills lithium discovery by ASX:FBM. Zenith may earn up to a 100% interest in the lithium rights at the Yilmia project.

In addition to its battery metal assets Zenith owns a portfolio of gold and base metal projects. It retains a 25% free carried interest (to end bankable feasibility study) on the Earahedy Zinc discovery, in Western Australia, with Rumble Resources Limited (ASX:RTR) and two main gold projects – Red Mountain in Queensland and Split Rocks in Western Australia.

To learn more, please visit www.zenithminerals.com.au

This ASX announcement has been authorised by the Board of Zenith Minerals Limited.

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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr John Horton, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full time employee of ResEval Pty Ltd. Mr Horton 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 Horton 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.