

Zenith Regains 100% Interest in Key Lithium Projects in Western Australia

Highlights

- **Zenith regains control of key lithium projects, the Split Rocks Lithium Project, and the Waratah Well Lithium Project in WA.**
- **Split Rocks Lithium Project**
 - Split Rocks Lithium Project (covering ~367km²) located in the Forrestania greenstone belt 30km north of the established Mt Holland Lithium Deposit (Sociedad Química y Minera and Wesfarmers) (Figure 1)
 - Maiden Inferred Mineral Resource for the Rio Lithium Pegmatite Deposit at Split Rocks of **11.9Mt at 0.72% Li₂O***.
 - 83 advanced lithium targets identified in December 2023**.
 - A total of 318 drill holes are fully permitted and ready for drilling, with Permits of Work in place for a further 193 AC drill holes (heritage clearance required), covering the very large Cielo lithium target and 14 other targets.
 - **Split Rocks is 1 of only 6 lithium deposits with a JORC mineral resource in Western Australia, outside existing lithium mining operations.**
- **Waratah Well Project**
 - Waratah Well Project (covering ~123km²) located ~20km northwest of the regional town of Yalgoo in the Murchinson Region, holds a potentially large lithium-caesium-tantalum pegmatite target (Figure 2).
 - Multiple drill intersections at Waratah Well have returned **>10m @ 1.0%Li₂O*****.
 - Permits are in place to commence a drilling program to further test these targets, which remain open in all directions.
- **With strong corporate activity in the lithium sector Zenith will now conduct a review of both lithium projects including the potential to seek expressions of interest from potential strategic investors.**

Zenith Minerals Limited (“Zenith”, “ZNC” or “the Company”) (ASX: ZNC) a mining exploration company focused on supporting the increasing demand for metals critical to the global energy transition, is pleased to announce that it has regained 100% control of the key lithium assets, Split Rocks Lithium Project, and the Waratah Well Project, both located in Western Australia (Lithium Projects).

In January 2022, Zenith granted a subsidiary of EV Metals Group plc (together “EVM”) the opportunity, to earn a 60% interest in the Split Rocks and Waratah Well lithium projects in Western Australia, by sole funding the completion of a feasibility study before January 2024.

As part of the earn-in agreement EVM and its nominee’s completed subscriptions of A\$6,000,000 for 20,000,000 shares in the capital of ZNC at an issue price of A\$0.30 per share on 19 January 2023.

Under the relevant agreement:

- The feasibility study had to have a Mineral Resource of a minimum of 35Mt @ 1.2% Li₂O and be capable of producing 330,000 tonnes of spodumene concentrate with a grade of not less than 6%Li₂O for a minimum of a 10-year period: and
- If EVM failed to complete the feasibility study prior to 10 January 2024, then it would be deemed to have withdrawn from the earn-in and the agreement would terminate on 10 January 2024.

Although EVM incurred expenditure on the Lithium Projects. EVM did not carry out any significant on-ground exploration activity on Zenith’s Split Rocks and Waratah Well lithium projects in 2023 to satisfy each of the above conditions.

Given that neither of these conditions have been met and as such, under the terms of the earn-in agreement, EVM has deemed to have withdrawn from the agreement.

The tenements, comprising both Lithium Projects, have always been retained by a wholly owned subsidiary of Zenith, so there are no additional administrative steps required for the Company to regain full ownership and control of the Lithium Projects.

An amount of approximately \$1M (net) in outstanding refunds is owed by EVM to Zenith. The amount relates to tenement rents and rates, Zenith staffing costs, and other exploration costs incurred by the Company under the EVM earn-in agreement during 2022 and 2023. The Company will now restart a process to attempt to recover these amounts from EVM. The outstanding monies have been fully impaired in the Company’s accounts.

Split Rocks Lithium Project, WA

The Split Rocks Lithium Project covers landholdings of approximately 367km² in the Forrestania greenstone belt immediately north of the Mt Holland lithium mine, owned jointly by Sociedad Química y Minera and Wesfarmers (Figure 1).

During 2022 and 2023 exploration programs designed and implemented by Zenith’s technical team resulted in the discovery of significant lithium mineralisation at Split Rocks and Waratah Well. Despite no drilling on the projects throughout 2023, Zenith has been able to report, based on initial wide spaced exploration drilling, a maiden Inferred Mineral Resource for the Rio lithium pegmatite deposit at Split Rocks (ASX Release 28-Sep-2023) containing: 11.9Mt @ 0.72% Li₂O, 415ppm Cs, 75ppm Nb, 217ppm Sn and 59ppm Ta (0.5% Li₂O cut-off grade). The deposit was one of the first lithium targets drill tested at Split Rocks in 2022.

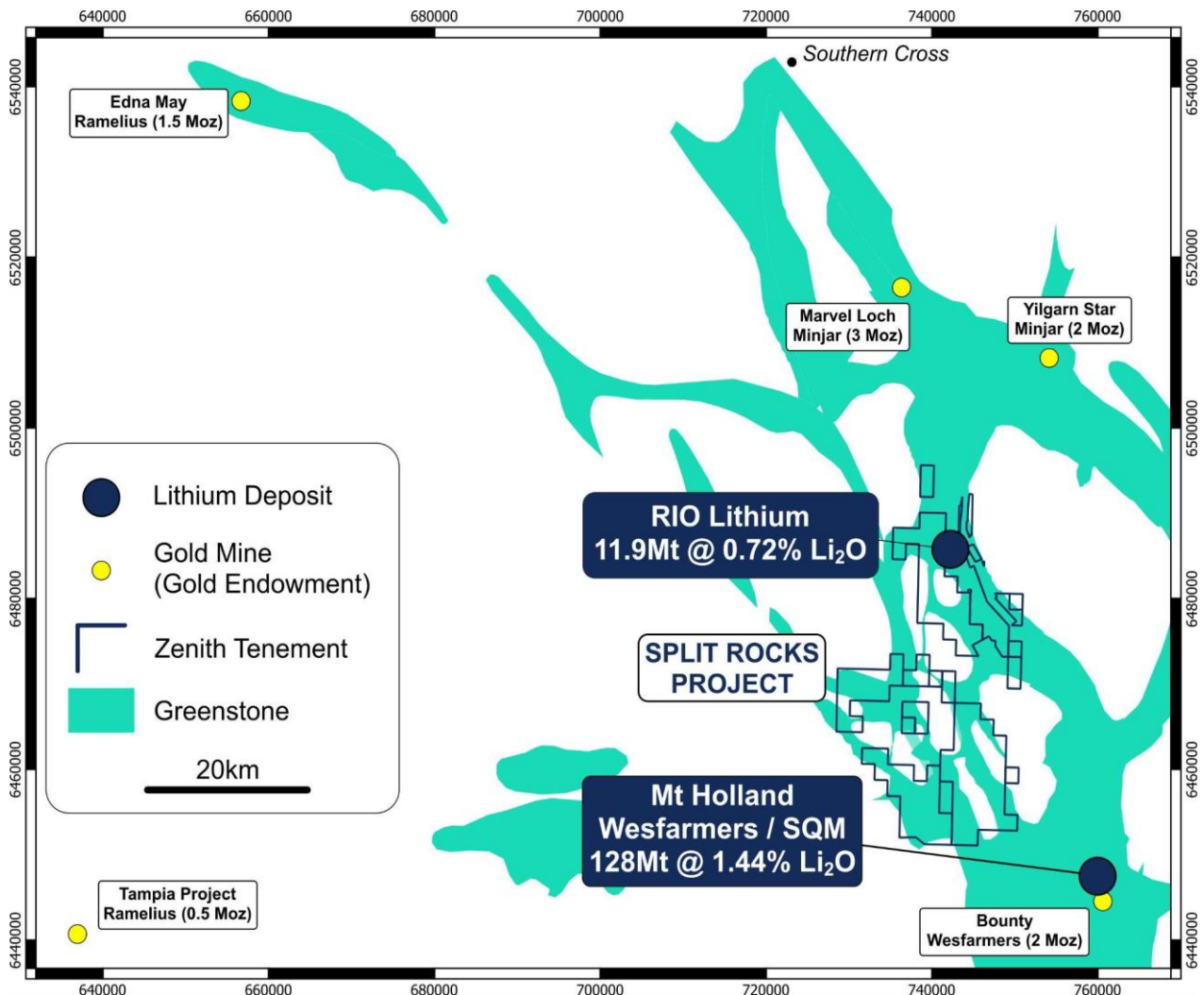


Figure 1: Split Rocks Project Location

In early-December 2023 the Company announced 83 additional lithium targets for drill testing at its Split Rocks project (ASX Release 7-Dec-23). Furthermore, a total of 318 drill holes are now fully permitted and ready for drilling (including 50 holes at the Rio lithium deposit), whilst Permits of Work (PoW's) are in place for a further 193 AC drill holes, covering the very large Cielo lithium target and 14 other targets at Split Rocks.

Waratah Well Lithium Project

At the Waratah Well lithium project (123km²) initial exploration drilling has confirmed the presence of high-grade lithium pegmatites beneath soil cover (ASX Release 24-Jan-23), including: 14m @ 1.0% Li₂O, incl 8m @ 1.5% Li₂O, 10m @ 1.4% Li₂O, incl 6m @ 2.0% Li₂O and 27m @ 0.8% Li₂O (true width 10m), incl 12m @ 1.2% Li₂O (true width 6m). No follow-up drilling has yet been conducted to determine the extents of this lithium mineralisation at Waratah Well. Heritage surveys have been completed and PoW's are in place to allow a substantial follow-up drill program to define the extents of lithium mineralization, that remains open to the north, south and east under shallow soil cover, at Waratah Well.

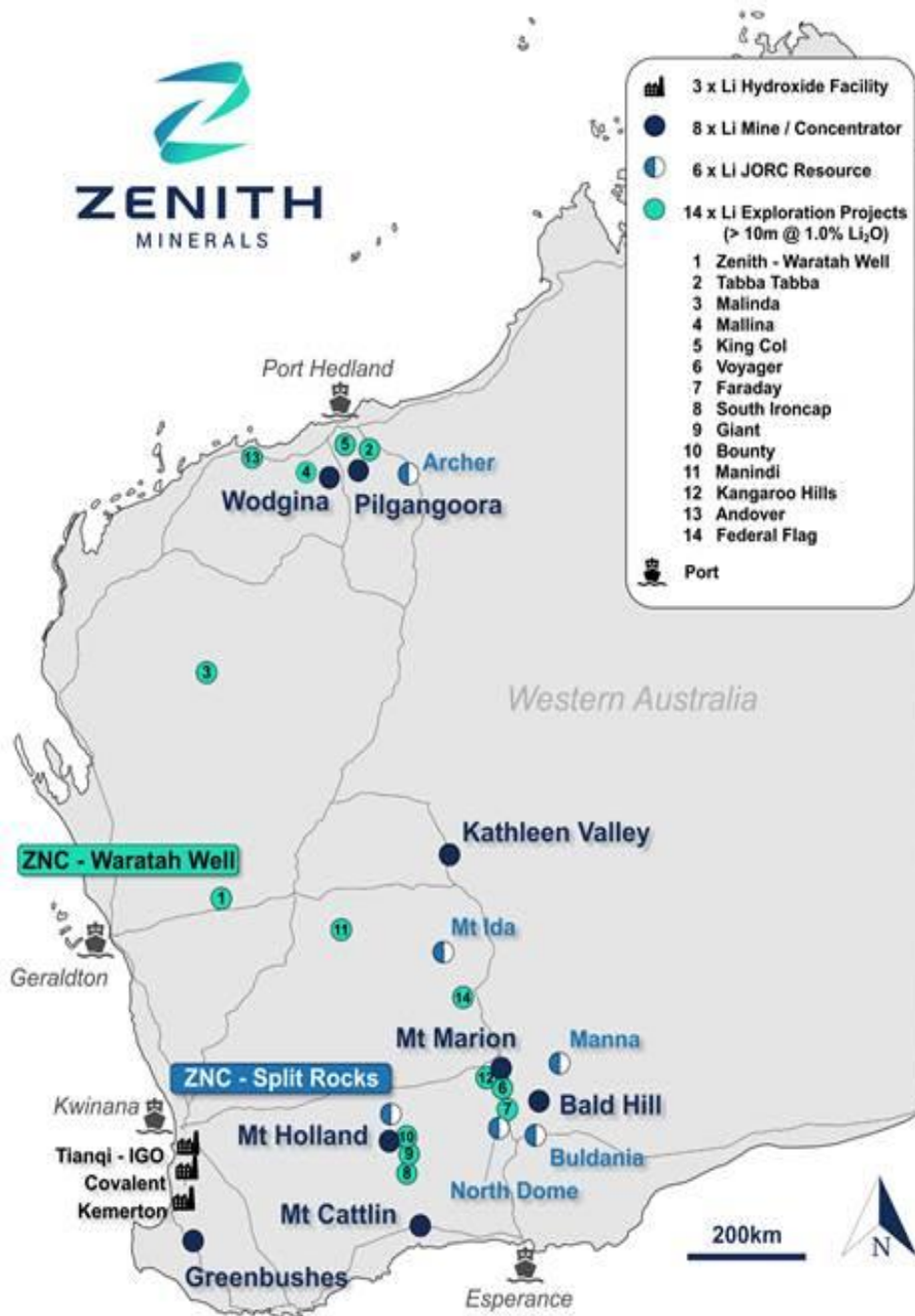


Figure 2: Waratah Well Project Location and Major Lithium Mines and Projects in Western Australia****

Next Steps

Zenith notes that substantial market interest is being shown by investors and corporates for advanced lithium projects in Western Australia, as evidenced by significant takeover activity and investments in lithium explorers by lithium miners, lithium chemical companies and battery manufacturers.

The resumption of 100% control of two advanced lithium projects in Western Australia, currently, ensures the Company is now well positioned to add shareholder value in 2024. Zenith will now conduct a review of both lithium projects including the potential to seek expressions of interest from potential strategic investors.

The Company will provide a further update on its lithium business strategy, centered on the Split Rocks and Waratah Well projects to ASX shortly.

Zenith Minerals Managing Director, Michael Clifford commented: “I am pleased to announce today that we have regained full control of our key lithium assets in Western Australia”.

“Our Split Rocks lithium project, encompassing approximately 367 km² in the Forrestania greenstone belt, is located immediately north of the Mt Holland lithium deposit. Despite no drilling in 2023, under the previous earn-in agreement, our technical team has diligently advanced exploration. These efforts led to the discovery of significant lithium mineralisation at Split Rocks and Waratah Well. In September 2023, we reported a Maiden Inferred Mineral Resource for the Rio lithium pegmatite deposit at Split Rocks, highlighting its considerable potential with 11.9Mt at 0.72% Li₂O.”

“In December 2023, we further announced the identification of 83 additional lithium targets at Split Rocks. With 318 drill holes now fully permitted, including 50 at the Rio lithium deposit, and permits for 193 AC drill holes at the expansive Cielo lithium target and other sites, we are well positioned for a 2024 extensive exploration campaign”.

“Our Waratah Well project has also shown promising results. Initial exploration drilling confirmed high-grade lithium pegmatites beneath soil cover. The potential extent of this mineralization, which remains open in multiple directions, is yet to be fully explored. We have all necessary permits in place for a substantial follow-up drill program in H1 2024.”

“Given the recent and significant market interest in advanced lithium projects in Western Australia and now that we have regained control of the assets, we will conduct a review of both lithium projects including the potential to seek expressions of interest from potential strategic investors”.

“Overall, the resumption of 100% control over these projects positions us favorably to add to shareholder value in 2024, and we look forward to providing a detailed update on our lithium business strategy, to ASX, in the near future.”

References:

*ZNC ASX Release 28- Sep-23

** ZNC ASX Release 7-Dec-23

*** ZNC ASX Release 24-Jan-23

**** Refer ZNC ASX Release 30-Oct-23 for cross referencing details

This release was authorised by the Board of Directors of Zenith Minerals Limited.

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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. The 100% owned Split Rocks and Waratah Well projects are the two most advanced lithium projects in Zenith's portfolio:

Split Rocks Lithium Project

- Split Rocks Lithium Project (covering ~367km²) is located in the Forrestania greenstone belt 30km north of the established Mt Holland Lithium Deposit (Sociedad Química y Minera and Wesfarmers).
- Maiden Inferred Mineral Resource for the Rio Lithium Pegmatite Deposit at Split Rocks of **11.9Mt at 0.72% Li₂O** (ASX Release 28-Sep-23).
- 83 advanced lithium targets identified in December 2023.
- A total of 318 drill holes are fully permitted and ready for drilling, with Permits of Work in place for a further 193 AC drill holes (heritage clearance required), covering the very large Cielo lithium target and 14 other targets.
- **Split Rocks is 1 of only 6 lithium deposits with a JORC mineral resource in Western Australia, outside existing lithium mining operations.**

Waratah Well Lithium Project

- Waratah Well Project (covering ~123km²) located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region holds an advanced lithium exploration target.
- Multiple drill intersections at Waratah Well **>10m @ 1.0%Li₂O** (ASX Release 24-Jan-23).
- Permits are in place to commence a drilling program to further test these targets, which remain open in all directions.

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 Earraheedy 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

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.