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ZENITH MINERALS

Annual Report

Zenith Minerals Limited
ABN 96 119 397 938

for the Year Ended

30 June 2024

ASX ZNC

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CORPORATE INFORMATION

Directors

Andrew R H Smith – Managing Director
Stanley A Macdonald - Non-Executive Director
Geoff J Rogers - Non-Executive Director
Andrew D Grove – Non-Executive Director

Company Secretary

Nicholas Ong

Chief Financial Officer

Nicholas Bishop

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Securities Exchange Listing

Australian Securities Exchange
Home Exchange: Perth, Western Australia

ASX Code: ZNC

MANAGING DIRECTOR'S REPORT

Dear Shareholders,

2024 was a transformative year for Zenith Minerals Limited (Zenith), marked by strategic shifts and decisive actions to position the company for sustainable growth and value creation. I want to extend my gratitude to all our shareholders for their continued support and engagement as we navigate these changes. Our commitment to maximising shareholder value remains at the core of our strategy, and I am pleased to provide an overview of our progress and the path forward.

Strategic Overview and Market Conditions

The past year has presented several challenges across the junior resource sector, driven by weaker commodity prices, uncertainties in the Chinese economy, and a significant retrenchment of institutional funds from junior miners. Despite these headwinds, Zenith Minerals is taking proactive steps to adapt to the evolving market conditions, focusing on a robust and balanced strategy that leverages our strengths in both gold and lithium.

Our refined strategy is designed to maximise value throughout different market cycles. In the near term, our focus is on advancing our gold projects while maintaining a strong, long-term commitment to our lithium assets. This dual approach allows us to seize immediate opportunities in our 100% owned gold assets, while positioning our lithium portfolio for growth as market conditions improve.

Gold Projects: Driving Immediate Value

Our primary focus has been advancing our key gold projects, particularly the 100% owned **Dulcie Far North (WA)** and **Red Mountain (QLD)**. These projects offer substantial potential for resource expansion and development. We have prioritised drilling and feasibility assessments to accelerate their progress, taking full advantage of the strong Australian gold price, which provides an ideal environment for these initiatives.

At **Dulcie Far North**, high-grade intercepts have validated significant potential for near-term resource growth. Our planned drilling program aims to unlock additional ounces and expand the project's gold inventory.

Meanwhile, **Red Mountain** is emerging as a potential world-class epithermal system. Drilling has confirmed extensive gold-silver mineralisation, with analogies to prolific projects such as **Mt Rawdon** and **Pajingo**. Continued exploration will focus on testing the lateral and depth extents of this high-grade system, with the goal of establishing Red Mountain as a premier gold-silver discovery.

Lithium Projects: A Long-Term Strategic Commitment

While gold remains our immediate priority, we remain fully committed to the long-term potential of our lithium projects. I am pleased to report that the dispute with EV Metals regarding the Split Rocks and Waratah Well joint ventures has been resolved, allowing us to move forward with renewed focus. This resolution signifies a positive step for Zenith, enabling us to accelerate exploration and development activities at these highly prospective and strategically significant sites.

Our lithium strategy is centred on selective advancement of known targets, with a disciplined approach to expenditure. At Split Rocks, we have identified several promising geochemical targets, including the Cielo area, a 9km by 2km zone with strong potential for lithium pegmatites. Our team is actively preparing additional drilling programs, and we remain ready to advance these projects as market conditions align favourably.

Additionally, at Waratah Well, we have been encouraged by previous drilling results that intersected lithium-bearing pegmatites. We are currently analysing recent geochemical data and have submitted an application for state co-funded drilling under the Exploration Initiative Scheme (EIS), demonstrating our commitment to advancing these lithium projects strategically.

Portfolio Optimisation and Strategic Divestments

In line with our strategic focus, we have undertaken a comprehensive review of our asset portfolio to ensure optimal alignment with our long-term goals. This year, we successfully divested non-core assets, such as the Develin Creek copper project in Queensland, to focus our resources on high-impact projects. The sale of Develin Creek, which included a cash and scrip deal, has provided us with the necessary capital to advance our core assets without the immediate need for additional funding.

We have also made the strategic decision to pause work on projects that do not immediately align with our focus on lithium and gold. By concentrating our efforts on lithium and gold, we are positioning Zenith as a focused player in these critical sectors.

Looking Ahead: A Balanced Strategy for Growth

As we move into 2025, our strategy remains clear and balanced. We are committed to advancing our gold projects in the short term to leverage current market conditions while maintaining a strong, long-term commitment to our lithium assets. This dual focus ensures that Zenith Minerals is well-positioned to maximise value across varying market cycles.

We will continue to pursue an in-house development strategy, retaining full control of our assets and focusing on internal growth. This approach allows us to optimise our portfolio and deliver sustained value to our shareholders.

Zenith Minerals is committed to integrating Environmental, Social, and Governance (ESG) principles into every aspect of our exploration and project development, recognising the growing scrutiny from investors and stakeholders. While navigating the complexities of ESG, including demonstrating ethical supply chains, climate resilience, and compliance with evolving regulations, we remain focused on achieving a positive impact that aligns with our long-term sustainability goals and strengthens our social license to operate.

Acknowledgements and Future Outlook

I would like to acknowledge the invaluable contributions of our board members, **Andrew Grove**, **Geoff Rogers**, and **Stan McDonald**, whose expertise has greatly strengthened our leadership team. I also extend my heartfelt thanks to **Mick Clifford**, who served as Managing Director until 31 July 2024. Mick's dedication and leadership were instrumental during a challenging year, particularly in navigating complex asset sales and making critical strategic decisions, for which we are deeply grateful.

On behalf of the Board, I would also like to express our sincere appreciation to our shareholders, communities, and key stakeholders for their continued support. Your trust and engagement are fundamental to our progress.

Looking ahead to a new chapter, we remain focused on unlocking the full potential of our key lithium and gold projects, ensuring that Zenith is well-positioned to deliver value in both the short and long term. While we have faced significant challenges, our refined strategy and renewed focus give me confidence in the opportunities that lie ahead.

Thank you for your ongoing support.

Yours sincerely,



Andrew Smith
Managing Director
Zenith Minerals Limited

24 September 2024

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REVIEW OF OPERATIONS

Figure 1 highlights our diverse Australian portfolio, positioning Zenith for sustainable growth. Our immediate focus on gold exploration provides shareholders with exposure to the record gold price through our Dulcie Far North and Red Mountain projects. Simultaneously, we are cost-effectively advancing the Split Rocks and Waratah Well lithium projects in Western Australia to be ready for favorable market conditions.



Figure 1: Zenith Mineral Limited Australian Project Locations

Following numerous unsolicited expressions of interest from strategic investors during the second half of 2023, Zenith undertook a strategic review of its lithium business, once full control of the Projects was returned to Zenith in early 2024. With the assistance of Azure Capital, the review process concluded late in the financial year, with Zenith receiving expressions of interest from several parties who undertook detailed due diligence including site visits. Several industry players advised they are seeking more advanced-stage assets and indicated strong interest in re-engaging as Zenith advances the projects. The Company therefore believes that significantly greater value can be delivered to shareholders through advancing the numerous highly prospective targets identified at both Split Rocks and Waratah Well on a 100% basis. As the Company’s lithium assets are advanced, and as we continue to see improvement in the lithium price, there is an opportunity to re-engage with strategic parties should the Board decide that is appropriate.

Corporate

Post the year end, Mr Andrew Smith was appointed as the Company’s new Managing Director, commencing on 31 July 2024. With a proven track record, Andrew’s most recent success was as CEO of British Lithium, which he founded in 2017. British Lithium discovered a world-class lithium deposit in the UK. In 2023 he ran a due diligence process which resulted in a multinational partner, IMERYS, acquiring an 80% interest in the project. IMERYS is a world leading supplier of specialty minerals for industry and has committed to complete the feasibility and build the full-scale project incorporating Andrew’s technical innovations. British Lithium pioneered groundbreaking, patented technology for the commercial beneficiation of lithium mica, overcoming prior industry challenges in extracting lithium from this source.



Andrew has 15 years' experience in the mining industry ranging from early-stage discovery through to feasibility studies and development projects around the world including Australia, Africa, Czech Republic and most recently the UK. He has worked for a range of medium to large scale corporations including British Lithium, Cominco Resources Limited, European Metals, Equatorial Resources Limited and Rio Tinto Limited.

The Board of Zenith would like to thank Mr Clifford for his >10 years of service to the Company and wish him well with his future endeavours. Upon joining Zenith Minerals Limited, in 2014, as the Managing Director, Mr Clifford was instrumental in securing ground and partners that resulted in the Earraheedy Zinc, Rio Lithium and Dulcie Far North Gold discoveries, all three Mineral Resources in Western Australia. In addition, under his stewardship the Company has also discovered the Waratah Well lithium zone in Western Australia, the Red Mountain gold discovery in Queensland and, with Turkish partners, the Kavaklitepe gold discovery in Turkey. He was also instrumental in identifying the early mineral staking opportunity in Wyoming USA, that was subsequently divested by Zenith to American Rare Earths, that has grown to become the Halleck Creek rare earth deposit.

Gold Projects

• Red Mountain

- An intrusion-related gold system breccia pipe has been identified at the Company's 100% owned Red Mountain Project in Queensland. Drill results previously reported (ASX Release 29-Aug-23) include:
 - **118m at 0.54 g/t Au + 11.9 g/t Ag from 225m**
 - **13m @ 8.0 g/t Au from surface**
 - **15m @ 3.5 g/t Au from 57m**
 - **12m @ 4.9 g/t Au from 102m**
- The company anticipates commencing further drilling at the end of 2024, subject to permitting and weather conditions.

• Dulcie Far North Project

- Zenith's Split Rocks Gold Project including the Dulcie Far North (DFN) Deposit is situated on a granted mining lease, within the Southern Cross-Forrestania Greenstone Belt, located approximately 400km east of Perth, Western Australia.
- Previously reported gold intersections^(1,2) include:
 - **19.0m @ 1.9 g/t Au from 102m**
 - **12m @ 6.1 g/t Au from 108m**
 - **7m @ 7.8 g/t Au from 90m**
 - **5m @ 7.4 g/t Au from 47m**

(1) ZNC ASX Release dated 13-Jun-23

(2) ZNC ASX Releases dated 14-Jun-22 and 25-Jan-23

- A maiden JORC (2012) compliant Inferred Mineral Resource (using a 0.5 g/t Au lower cut) has been estimated (ASX Release 11-Jul-23) for DFN containing: **3.3 Mt at 1.4 g/t Au for 150,000 ounces Au**. Gold mineralisation remains open to the north and down-dip. Further infill and extensional drilling are likely to expand the gold-mineralised zone.

• Cowarra Project

- The Cowarra Gold Project, located in a historically prolific gold region of New South Wales, offers notable potential for resource expansion. Zenith Minerals holds an approximate 26% indirect interest in the project (through its ownership in Oxley Resources), which has a long history of high-grade gold production. Previous mining operations by BHP in the 1930s and Horizon Pacific in the 1980s produced a combined 33,300 oz of gold, with run-of-mine grades averaging between 6-8 g/t Au.

- 2022 drilling at Cowarra has confirmed **wide high-grade gold intersections**, further validating the potential for significant gold mineralisation; Key highlights include ⁽¹⁾:
 - **37m @ 1.0 g/t Au (OCRC004)**
 - **21m @ 5.0 g/t Au (OCRC006)**
 - **26m @ 2.5 g/t Au (OCRC007)**
 - **21m @ 3.7 g/t Au and 19m @ 3.6 g/t Au (OCRC005)**
- (1) ZNC ASX Release 5 October 2022
- Soil analyses and Induced Polarisation (IP) surveys have also identified several high-priority drill targets. The project remains open at depth and along strike, with upcoming exploration aimed at unlocking further high-grade zones within the extensive mineralised corridor.

Battery Metals

● Split Rocks Lithium Project

- The Split Rocks Lithium Project (covering ~367km²) is located in the Forrestania greenstone belt 30km north of the Mt Holland Lithium Mine (Sociedad Química y Minera and Wesfarmers) in Western Australia.
- A Maiden Inferred Mineral Resource (JORC 2012 compliant) was announced for the Rio Lithium Pegmatite Deposit at Split Rocks of **11.9Mt at 0.72% Li₂O** during the year (ASX Release 28-Sep-23). Split Rocks is 1 of only 7 lithium deposits with a JORC mineral resource in Western Australia, outside existing lithium mining operations.
- The project contains more than 80 advanced lithium targets including the very large (>9km long by 2km wide), as yet untested, Cielo Lithium Target, which presents a major opportunity for exploration, with a peak auger soil value of 880ppm Li (ASX Release 9-Feb-23). Additional lithium targets were detailed during the last quarter of the year in an announcement and accompanying presentation released to ASX on 3 Jul 24.

● Waratah Well Project

- The Waratah Well Lithium Project (covering ~123km²) is located ~20km northwest of the regional town of Yalgoo in the Murchinson Region Western Australia and contains a potentially large lithium-caesium-tantalum pegmatite target.
- Multiple drill intersections at Waratah Well have returned **>10m @ 1.0%Li₂O** (ASX Release 24-Jan-23).
- Work by the Zenith exploration team during the year has shown that the lithium pegmatite mineralisation, as it is defined to date, is situated on a geological host rock contact. That contact extends under cover to the northeast and southwest and remains untested (ASX Release 3-Jul-24). Further surface sampling of this contact is planned in August 2024 to refine drill targets for follow-up testing.

Base Metal Projects

● Earraheedy Joint Venture

- Zenith retains a 25% free carried interest in the Earraheedy Zinc Project. Rumble Resources Ltd (75%) has commenced metallurgical testwork on a bulk sample with results of this work anticipated in 2024.
- Future RC drilling programs will be on discovering and infilling on new and existing high-grade zones (i.e. Kalitan, Chikamin, Colorado and Magazine Feeder Faults).

ZENITH GOLD PROJECTS DETAILS

Zenith holds two key 100%-owned gold projects in Australia: Dulcie Far North in Western Australia and Red Mountain in Queensland.

Dulcie Far North (DFN) – Western Australia (Zenith 100%)

The Dulcie Far North (DFN) Gold Deposit, part of Zenith’s Split Rocks Gold Project, offers a compelling near-term opportunity for substantial resource expansion. Strategically located within the highly prospective Southern Cross-Forrestania Greenstone Belt, approximately 400 km east of Perth (Figure 2), DFN has demonstrated the potential for significant high-grade gold discoveries. Zenith’s recent exploration success, including multiple high-grade intercepts, positions DFN as a key growth asset within the portfolio. With mineralisation remaining open both at depth and along strike, the project is primed for further drilling to define additional ounces and build on the resource inventory, capitalising on Australia’s favorable gold market conditions.

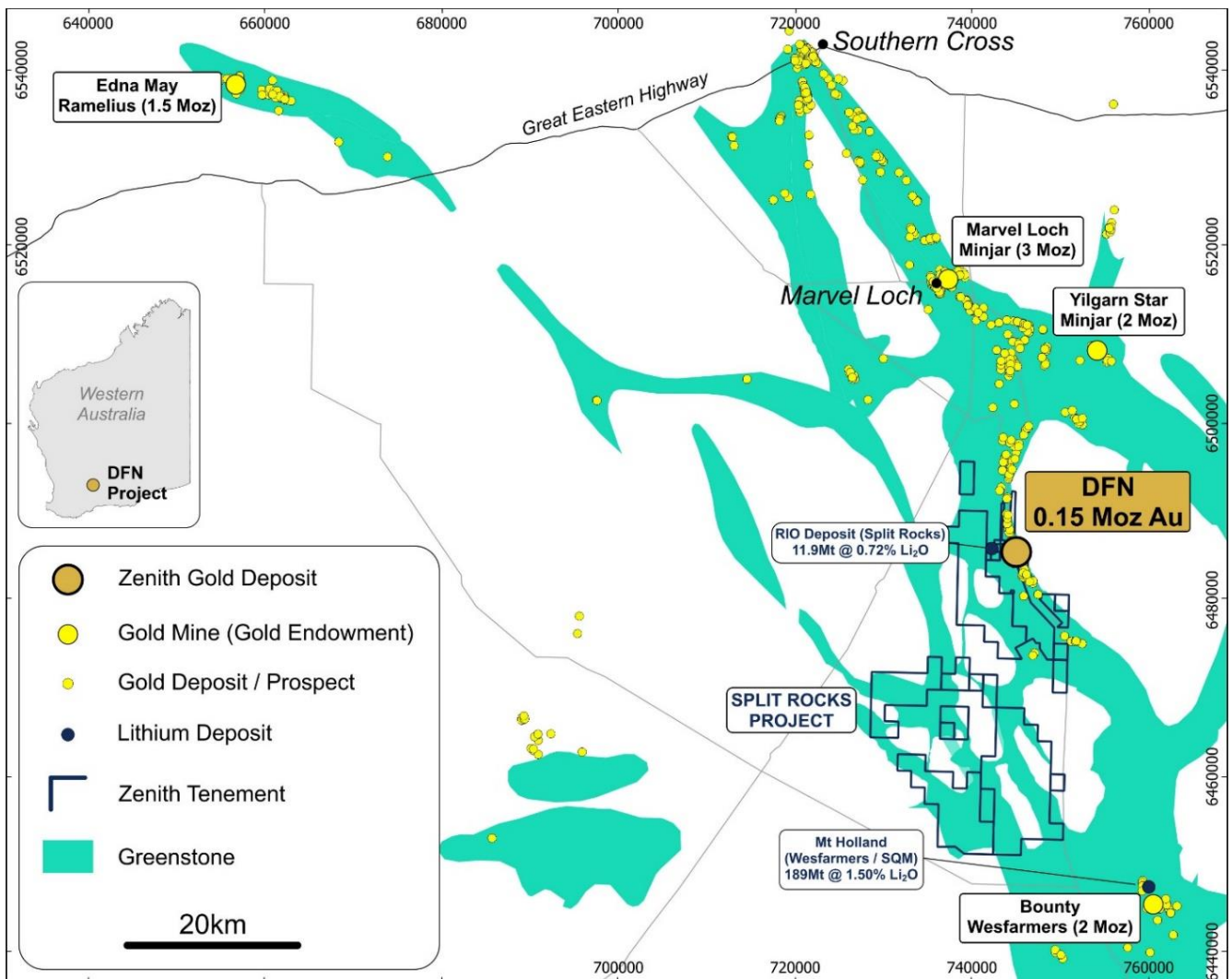


Figure 2: Split Rocks Project Location Map showing the Dulcie Far North Gold Deposit.

Previously reported gold intersections^(1,2) include:

- 19.0m @ 1.9 g/t Au from 102m in SRRC020, incl 4m @ 6.4 g/t Au from 110m
- 12m @ 6.1 g/t Au from 108m in SRRC018, including 5m @ 10.5 g/t Au from 113m
- 7m @ 7.8 g/t Au from 90m in ZDRC090, incl 5m @ 10.6 g/t Au from 91m,
- 8m @ 4.2 g/t Au from 99m in ZDRC098, incl 3m @ 10.7 g/t Au from 103m,
- 5m @ 7.4 g/t Au from 47m in ZDRC095, and
- 9m @ 2.0 g/t Au from 57m in ZDRC095

(1) ZNC ASX Release dated 13-Jun-23

(2) ZNC ASX Releases dated 14-Jun-22 and 25-Jan-23

A maiden JORC (2012) Compliant Inferred Mineral Resource (using a 0.5 g/t Au lower cut) has been estimated (ASX Release 11-Jul-23) containing: **3.4 Mt at 1.4 g/t Au for 150,000 ounces Au**. Gold mineralisation remains open to the north and down dip.

In Q2 2024, the Company plans to undertake a comprehensive infill and extensional drilling campaign at Dulcie Far North (DFN). This program aims to test several high-priority targets identified in previous exploration, including unclassified mineralised zones and potential extensions at depth and along strike. These efforts will further delineate the gold resource, with a focus on converting existing Inferred Resources to higher categories and discovering additional high-grade shoots to expand the project's overall resource base.

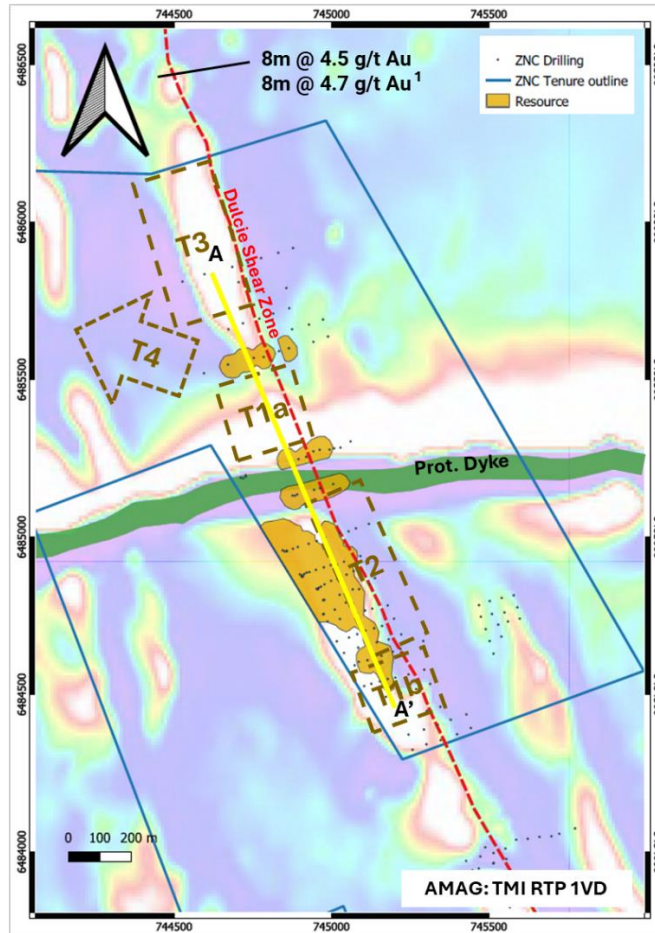


Figure 3: Aeromagnetic image of DFN, indicating the true position of the Proterozoic Dyke as defined from diamond drilling, the inferred resource (orange polygon) and the 4 target areas that are the focus of the upcoming RC drilling campaign

¹ ASX:WSR Release 1-Mar-24

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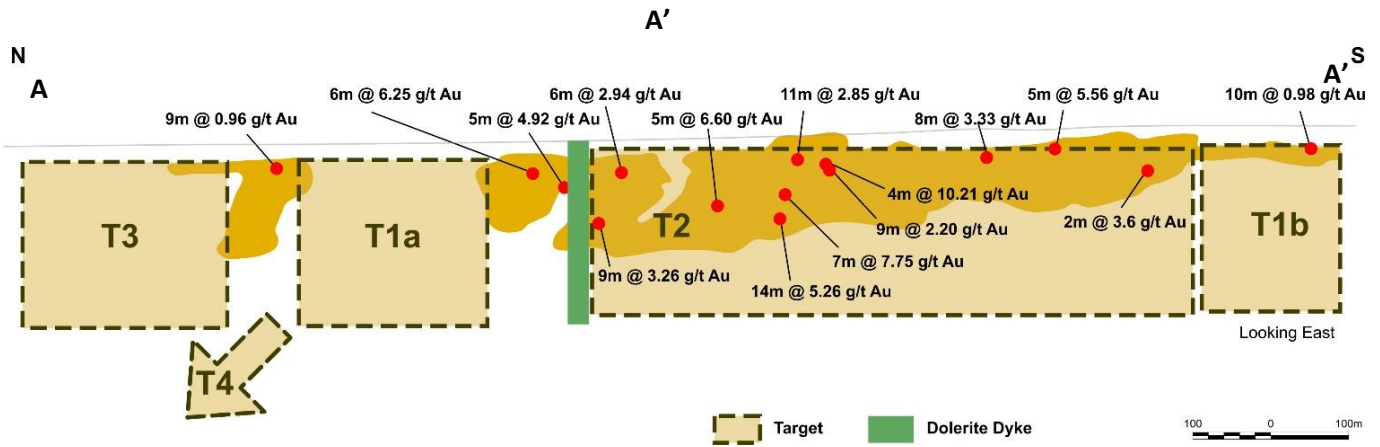


Figure 4: DFN long section orientated North-South, showcasing untested high-potential drill targets with significant upside, including zones T1a, T1b, T2, T3, and T4, which represent key opportunities for resource expansion at Dulcie Far North.

RED MOUNTAIN GOLD-SILVER PROJECT – Queensland (Zenith 100%)

The Red Mountain Project, a virgin gold-silver discovery by Zenith Minerals, is located in Queensland, Australia (see Figure 5), and benefits from excellent access to infrastructure, including nearby roads and power. An intrusion-related gold system breccia pipe has been identified at the project (Figure 3), with diamond drilling in 2023 confirming the depth continuity of gold and silver mineralisation. This occurs as stockwork, sheeted, and extensional quartz veins, along with minor base metal veins, primarily hosted within rhyolite and granodiorite.

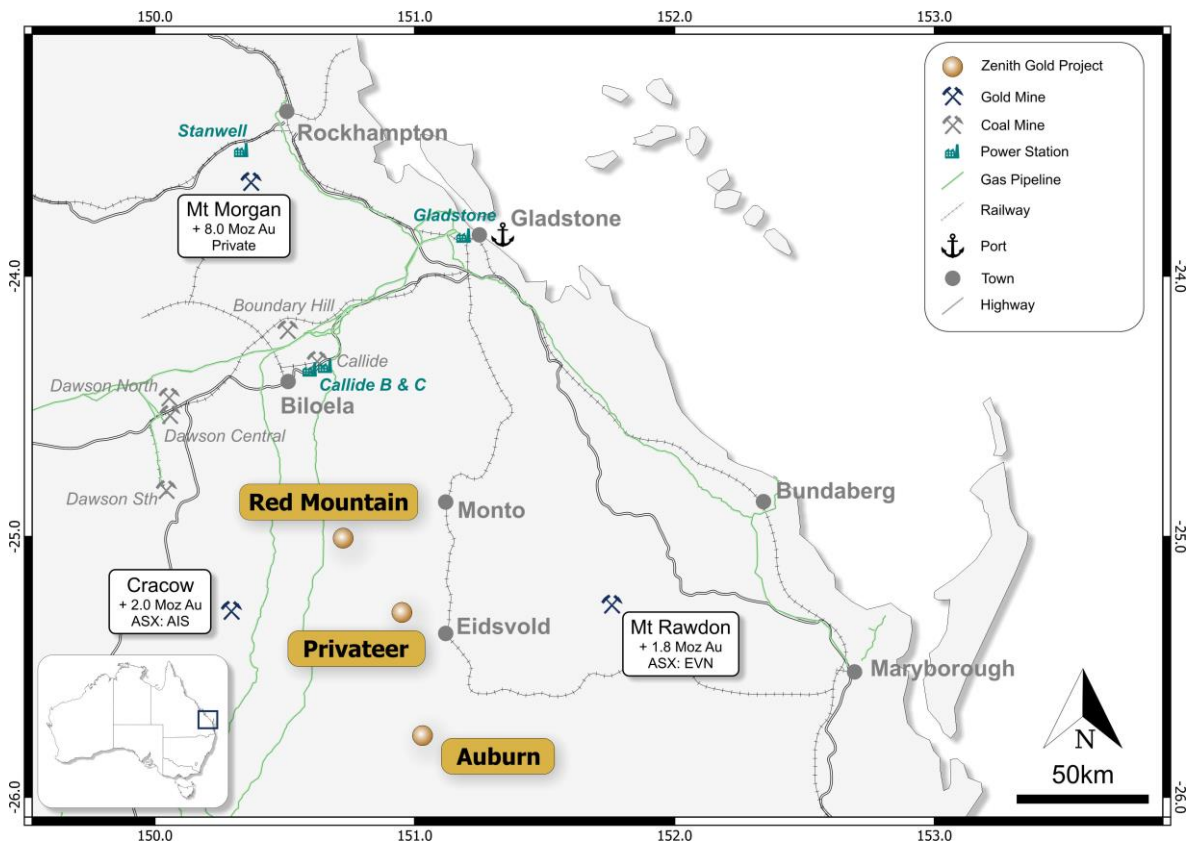


Figure 5: Red Mountain Project Location

Recent results (ASX Release 29-Aug-23) include significant intercepts that underscore the potential scale of the deposit:

- **118m at 0.54 g/t Au + 11.9 g/t Ag from 225m in ZRMDD052, including 12m at 1.36 g/t Au + 4.93 g/t Ag from 288m and 9m at 1.24 g/t Au + 6.30 g/t Ag from 323m (see Figure 6)**
- **11m at 0.45 g/t Au + 4.54 g/t Ag from 183m, and 11m at 1.16 g/t Au + 1.08 g/t Ag from 224m in ZRMDD051**

While true widths remain undetermined at this stage, the scale of the mineralisation encountered confirms there is excellent potential for a large mineralised system at Red Mountain.

Drilling was following up previous shallow high-grade gold intersections at Red Mountain including:

- **13m @ 8.0 g/t Au from surface in ZRMRC001, incl 6m @ 16.7 g/t Au from surface**
- **15m @ 3.5 g/t Au from 57m in ZRMRC019, incl 2m @ 22.4 g/t Au from 70m**
- **12m @ 4.9 g/t Au from 102m in ZRMRC021, incl 6m @ 9.4 g/t Au from 103m**
- **5m @ 10.4 g/t Au from 67m in ZRMRC023, incl 1m @ 49.9 g/t Au from 67m, and**
- **7.7m @ 4.4 g/t Au from 63m in ZRMCD041, incl 1m @ 19.3 g/t Au from 63m**

An Induced Polarisation (IP) anomaly, previously untested at depth, was the focus of the 2023 drilling program, reflecting a likely westerly dip to the breccia pipe. The pipe has now been confirmed to dip east and the IP anomalism can be attributed to the expansive sulphidic, flow banded rhyolite (flow dome) intrusion extending westward, away from the mapped breccia pipe (Figure 7 & Figure 8).

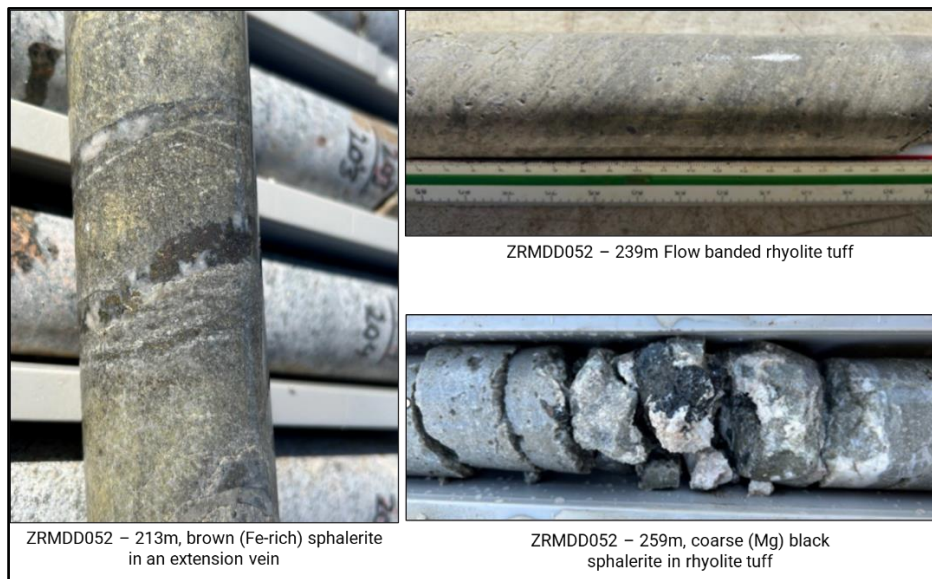


Figure 6: Examples of key lithologies and veins encountered in ZMRDD052 (118m @0.54 g/t Au from 225m)

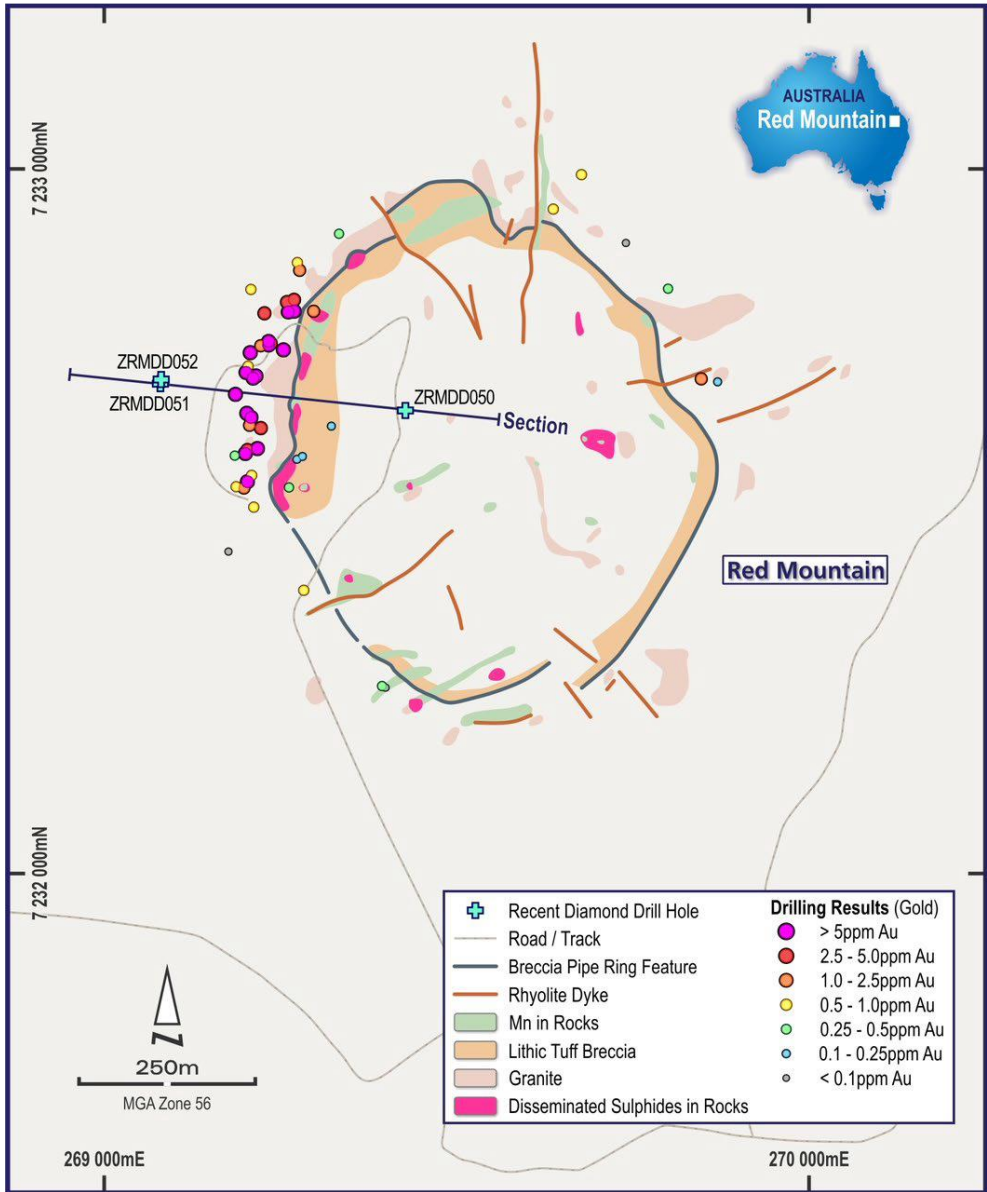


Figure 7: Red Mountain Project circular breccia pipe highlighting significant drilling results within the northwestern quadrant

The Red Mountain Gold-Silver Project is characterised by rhyolite-hosted breccia pipe mineralisation, which is commonly associated with high-grade epithermal gold-silver deposits. The mineralisation at Red Mountain is primarily hosted within brecciated rhyolite and granodiorite, with significant zones of stockwork veining and sulphide-rich mineralisation identified through drilling. This geological setting is analogous to other well-known epithermal systems such as Mt Rawdon in Queensland and Pajingo in the Drummond Basin, both of which are recognised for their large-scale, high-grade gold production. These geological similarities, along with the presence of key alteration and structural features, highlight Red Mountain's potential to host a significant gold-silver deposit.

Extending the analogy with **Mt Wright**, Zenith has identified multiple high-grade zones from outcrop at Red Mountain that appear to be sub-vertical lodes, consistent over a strike of approximately **350m**. This is highly analogous to the "Mother Lode" at Mt Wright, successfully mined by **Carpentaria Gold** in 1992-93, producing significant gold quantities.

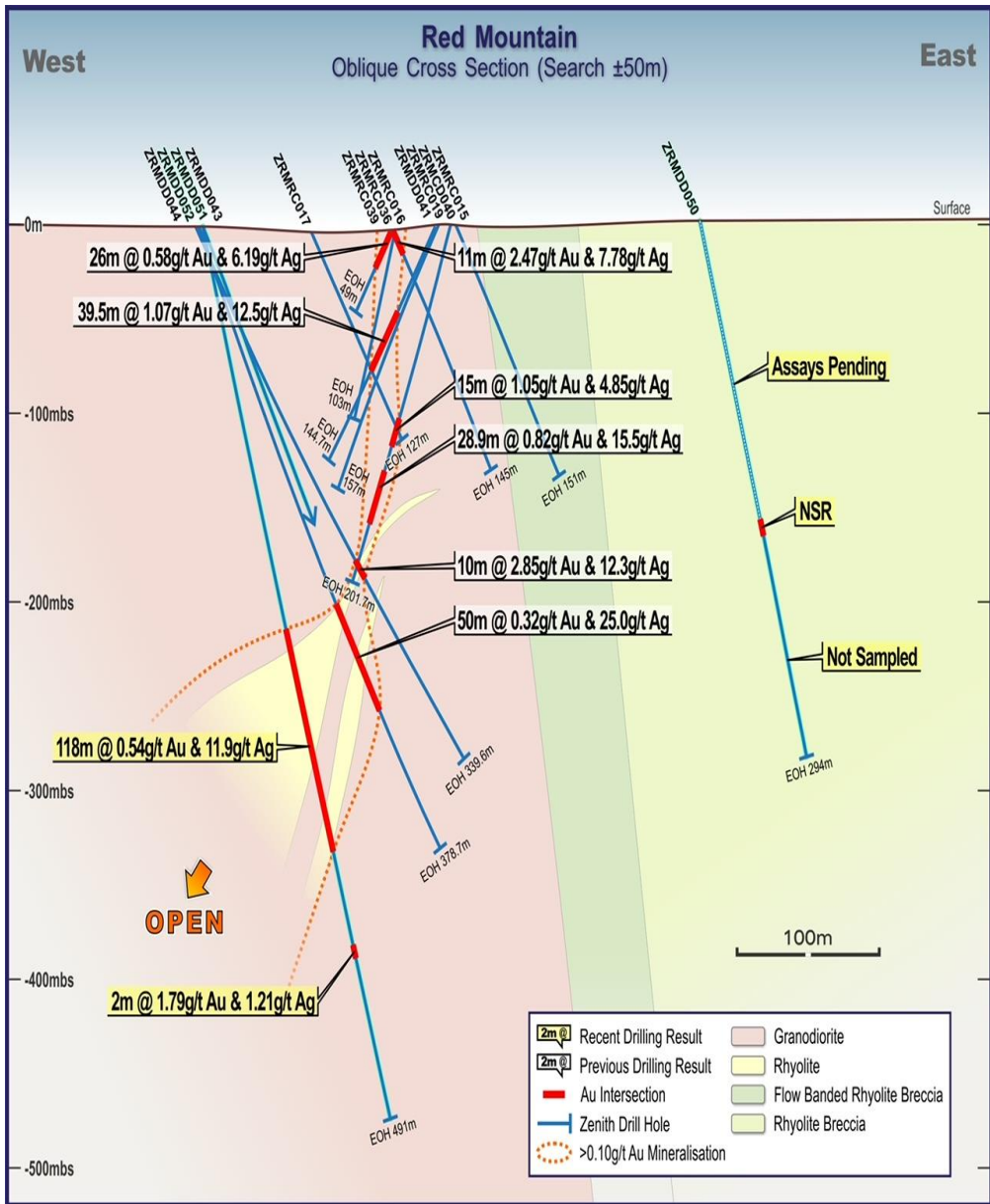


Figure 8: Cross Section through ZRMDD050 – ZRMDD052, using a 0.1 g/t Au lower cut-off

The company is planning a two-phase drilling campaign involving both Reverse Circulation (RC) and Diamond drilling. The initial RC phase will target high-priority zones identified through updated 3D geological models and geophysical re-interpretations. Ongoing sampling and core analyses aim to further refine the resource potential at depth. The follow-up DD phase will focus on delineating the lateral and vertical extents of the rhyolite-hosted mineralisation through deeper diamond drilling (target depths >500m), as well as testing additional targets around the breccia pipe rim.

ZENITH BATTERY METALS

Zenith's primary long-term focus is on minerals containing lithium and related metals required for rechargeable lithium-ion batteries for electric vehicles and renewable energy storage ("Battery Minerals").

PROJECT DETAILS

SPLIT ROCKS LITHIUM-TANTALUM PROJECT – WA

The Split Rocks Project is located approximately 40km south of the regional town of Marvel Loch in the Goldfields Region of Western Australia. The project area lies immediately north of the Mt Holland Lithium Mine owned by Covalent Lithium (SQM and Wesfarmers).

Drilling at the Rio Prospect has returned significant lithium mineralisation (Figure 9 & Figure 10) - refer to ASX Release 16-Nov-22, culminating in a maiden JORC 2012 Compliant Inferred Mineral Resource - ASX Release 28-Sep-23. The mineral resource for the Split Rocks Rio lithium pegmatite deposit has been estimated, using all data available as at 3-Aug-23. Drilling is currently relatively wide spaced (generally 200m x 100m).

To test the reasonable prospects for eventual economic extraction, a preliminary open pit optimisation was conducted. The resultant pit captured the majority of the lithium mineralisation; the remaining mineralisation is in shallow dipping sheets that would alternatively be amenable to low-cost room and pillar underground mining.

The Mineral Resource estimate for the Split Rocks Rio project reported at a 0.5% Li₂O cutoff is shown below. The entire resource is classified Inferred and is open at depth and along strike.

Rio Lithium Deposit Inferred Mineral Resource Estimate

Zone	Million Tonnes	Li ₂ O %	Cs ppm	Nb ppm	Sn ppm	Ta ppm	Domain
Upper	8.45	0.76	426	77	157	62	31
Middle	3.48	0.62	387	71	364	49	32
Total	11.9	0.72	415	75	217	59	-

Notes to Resource Table:

1. The Mineral Resource is estimated with all drilling data available at 3-Aug-23, and reported at a 0.5% Li₂O cutoff.
2. The Mineral Resource is reported in accordance with the JORC Code 2012 Edition.
3. The Competent Person is Phil Jankowski FAusIMM of CSA Global
4. Rounding may lead to minor apparent discrepancies

Significant smoothing of lithium grades occurred in the resource estimation process due to the current wide drill spacing (generally 200m x 100m). Closer spaced drilling has the potential to define more discrete high-grade lithium zones that could enhance the overall lithium grade of the deposit.

Lithium mineralisation remains open to the northeast, south and at depth, with further drilling required to define the full limits of mineralisation.

Lithium pegmatite mineralisation identified to date is a mixture of eucryptite with lesser spodumene, petalite and lepidolite, confirmed by multiple methods including optical microscopy, SEM, Raman spectroscopy and XRD analyses.

The amenability of eucryptite mineralisation to conventional lithium treatment processes has been shown by positive sighter flotation testwork and bench scale calcination-leach tests, hence confirming the potential of eucryptite as a viable lithium target (ASX Release 26-Jul-22).

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Lithium Forward Program

Under a former 2022 farm-in agreement, approximately A\$9.3M was spent by EVM on Zenith’s two Western Australian lithium projects - Split Rocks and Waratah Well. Most of the work under the farm-in was completed in 2022 with no drilling undertaken during 2023. Zenith shareholders are the beneficiaries of the significant amount of funds spent that saw 23,000m of drilling and over 15,000 geochemical samples completed across the two Zenith projects, culminating in the discovery of the Rio lithium deposit and definition a Maiden Mineral Resource (ASX Release 28 Sept 23) at Split Rocks and high-grade lithium mineralisation defined at the Waratah Well project.

The Company re-gained full control of the lithium projects in January 2024 after key milestones under the EVM farm-in agreement were not met within the required timeframe. In the first half of 2024 the Company’s exploration team assessed the extensive databases generated under the former farm-in agreement. This strategic review outlined multiple high-priority lithium exploration targets at the Company’s 100% owned Split Rocks and Waratah Well projects. These targets were detailed in a Company presentation titled “**2024 Lithium Forward Program**” released to ASX on 3 July 24.

The targets include step out drilling northwest of the Rio Lithium Mineral Resource (**NW Step-Out Target**), over a further 1km of strike and five other key targets beyond the Rio lithium deposit (**T01-02, DFN, T10, T11 and Cielo**) – refer to Figure 8.

Additional work is likely to advance many of the other 80 plus geochemical and geological targets at Split Rocks and Waratah Well to the drilling stage, presenting the Company with a robust prospect exploration pipeline going forward.

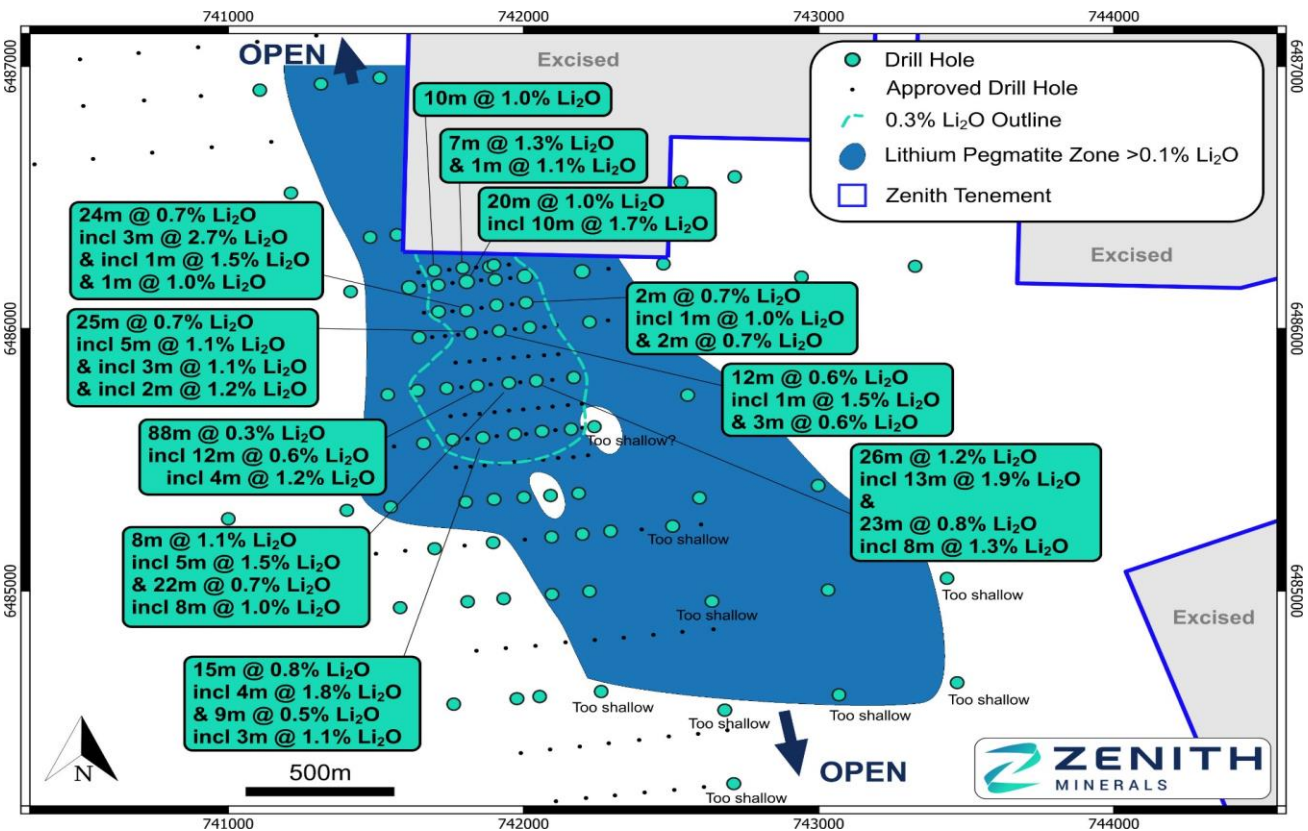


Figure 9: Rio Pegmatite – Map with Significant Lithium Drill Results

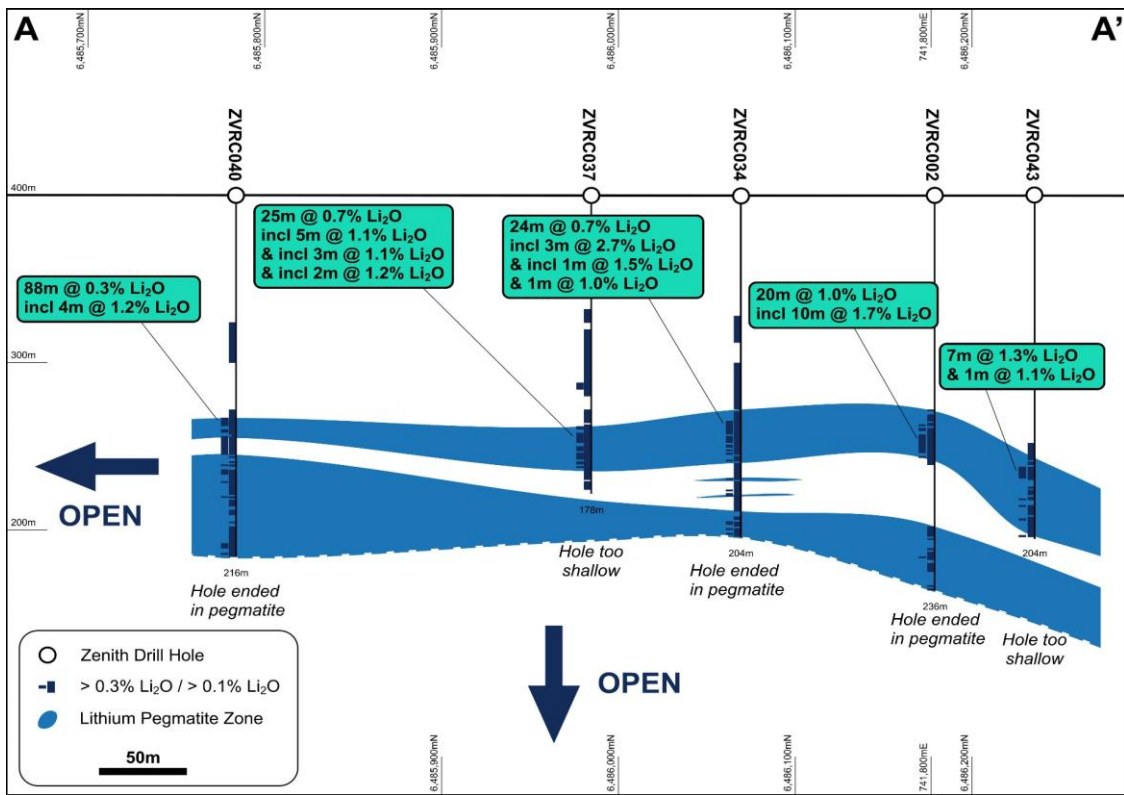


Figure 10: Rio Pegmatite – Cross Section with Significant Lithium Drill Results

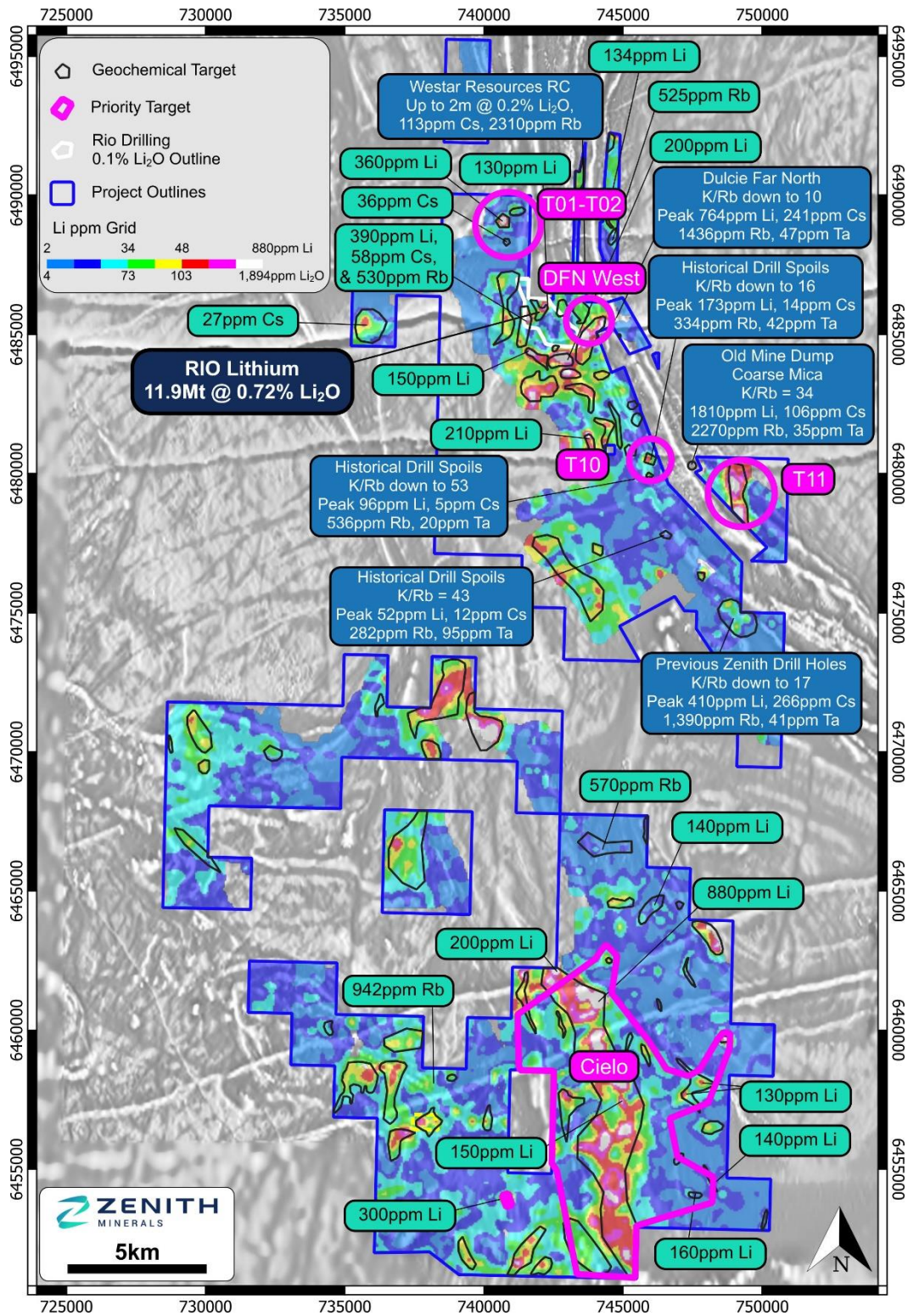


Figure 11: Split Rocks Rio Mineral Resource Location and Lithium Pegmatite Targets

WARATAH WELL LITHIUM-TANTALUM PROJECT – WA

The Waratah Well Project is located approximately 20km northwest of the regional town of Yalgoo in the Murchison Region of Western Australia.

An initial drilling program in early 2022 confirmed the presence of widespread lithium bearing pegmatite dykes over a 4km zone, open to the north and east under soil cover (ASX Release 10-Mar-22) – Figure 9.

Drilling to date has confirmed the presence of high-grade lithium below the depth of weathering, refer Figure 10, (ASX Release 24-Jan-23), including:

- 14m @ 1.0% Li₂O, incl 8m @ 1.5% Li₂O.
- 10m @ 1.4% Li₂O, incl 6m @ 2.0% Li₂O.
- 27m @ 0.8% Li₂O (true width 10m), incl 12m @ 1.2% Li₂O (true width 6m).

Lithium mineralisation has been identified by laboratory XRD analysis as containing up to 84% petalite. High-grade petalite is not well documented in Western Australia, however known in several overseas deposits. An example of a lithium deposit containing significant petalite is the Arcadia lithium deposit in Zimbabwe formerly owned by Prospect Resources Ltd (ASX:PSC). Prospect reported a JORC 2012 Mineral Resource of 72Mt @ 1.06% Li₂O* and then subsequently completed a feasibility study and pilot plant before divesting its 87% project interest for \$US378M (\$US422M on a 100% basis)** as announced by ASX:PSC on 23-Dec-21, highlighting petalite as a potential significant economic contributor to lithium projects. (*full details are disclosed in ASX:PSC Release 11-Oct-21, **Refer to ASX:PSC Release 23-Dec-21).

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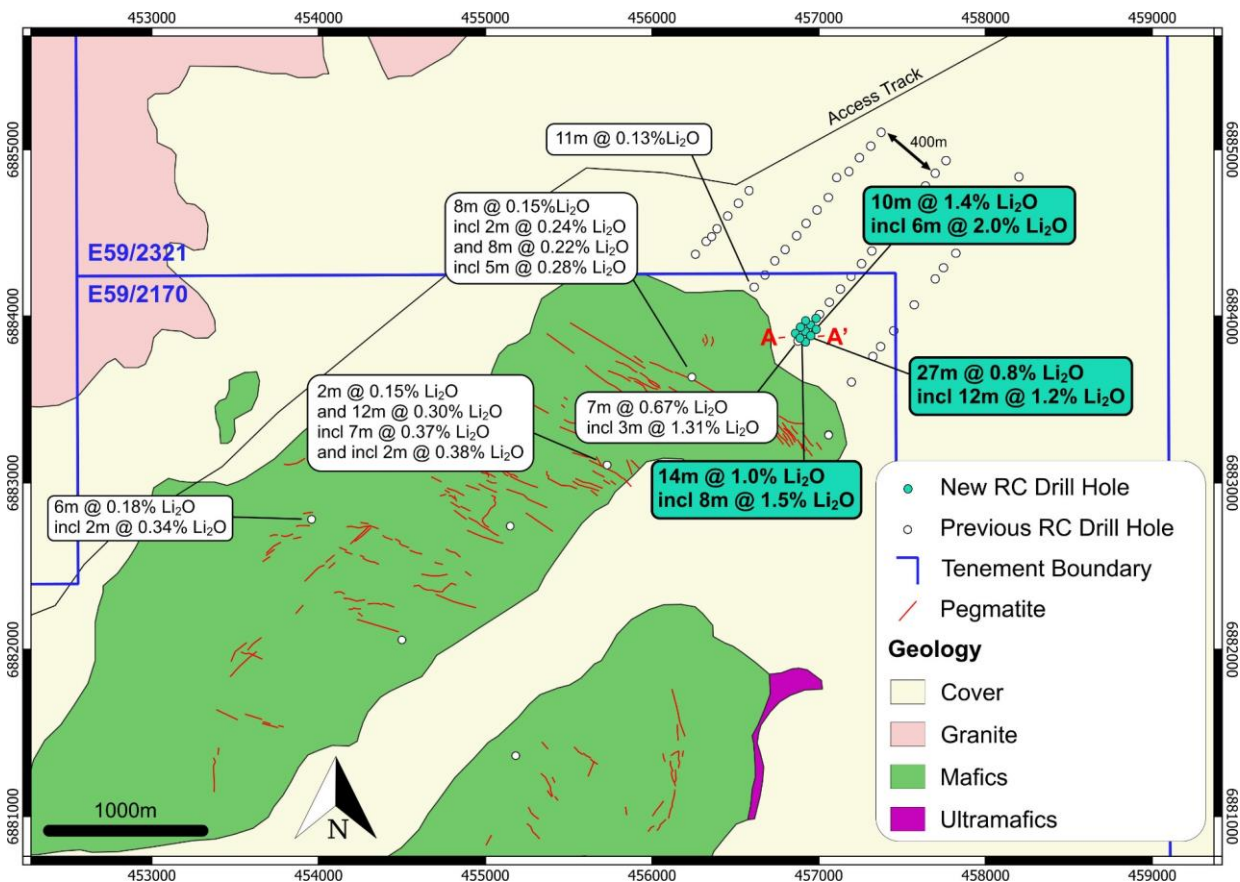


Figure 12: Waratah Well Lithium Prospect Area - Lithium Drilling Results and Location of Cross Section A-A'

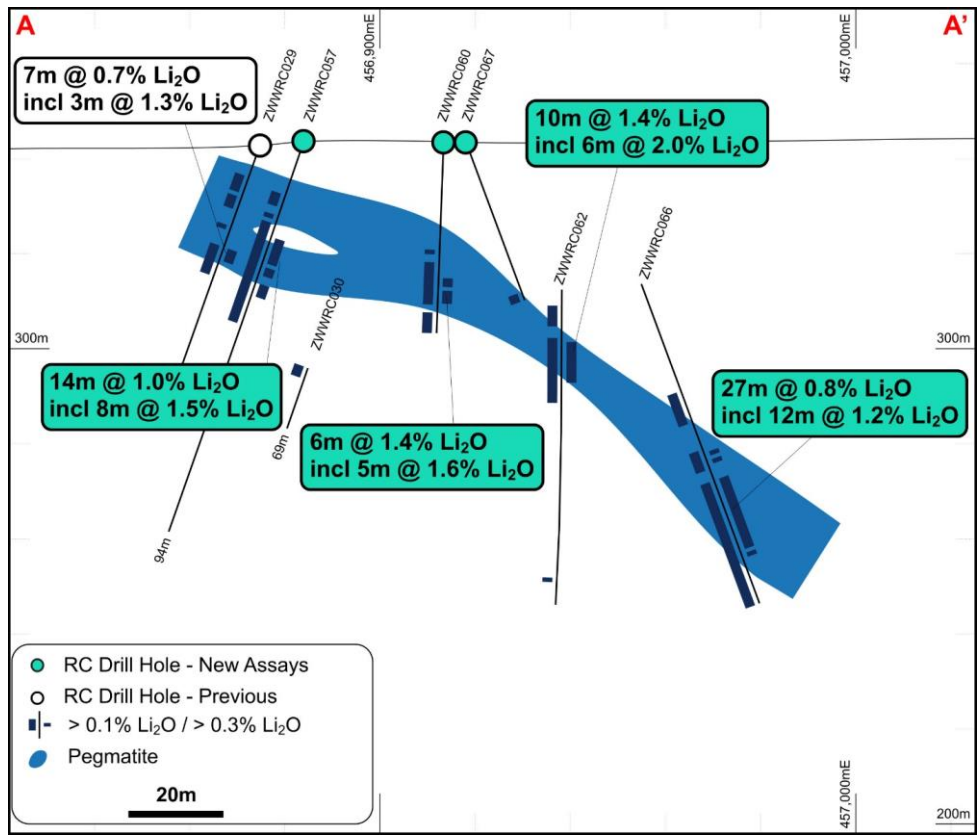
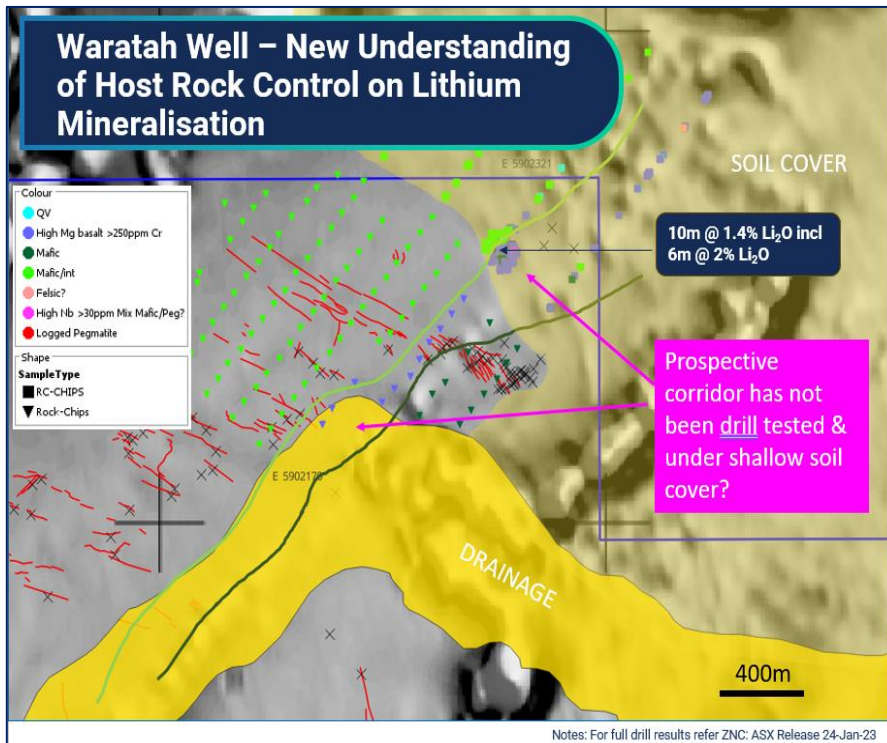


Figure 13: Waratah Well Lithium Prospect Drilling Cross Section A-A'

Work during the year by the Zenith exploration team has shown that the lithium pegmatite mineralisation, as it is defined to date, is situated on a geological host rock contact. That contact extends under cover to the northeast and southwest and remains untested (Figure 14). Further surface sampling of this contact is planned in September 2024 ahead of drill testing.

Waratah Well – New Understanding of Host Rock Control on Lithium Mineralisation



ZENITH MINERALS

- New sampling has allowed chemical lithotyping of host rocks into discrete units that were not evident in hand specimens in the field.
- Shows lithium aluminosilicate mineralisation occurs on Mafic/Int to High Mg basalt contact whilst lithium mica pegmatites (not a ZNC target) are hosted in the western Mafic/Int unit.
- Increased pegmatite density in the High Mg Basalt & Mafic Units present new target opportunity – most of target zone under shallow soil cover
- Prospective corridor untested to NE.
- Prospective corridor untested to SW under alluvium associated with small drainage.
- Further rock sampling required prior to drill testing.

Figure 14: Waratah Well Targets

Heritage surveys have been completed and permits are in place to allow a substantial follow-up drill program to define the extents of lithium mineralisation that remains open to the north, south and east under shallow soil cover at Waratah Well.

EARAHEEDY ZINC PROJECT – WA (Zenith 25% free carry to end BFS, ASX: RTR 75%)

The Earahedy Zinc Joint Venture project is located ~900km northeast of Perth and forms a component of Zenith's gold and base metal portfolio within an emerging Tier-1 base metal province. In April 2023, Rumble announced a maiden, open-pit constrained, Inferred Mineral Resource Estimate (MRE) for the Chinook, Tonka and Navajoh zinc deposits that make up the Earahedy Joint Venture Project.

The MRE on a 100% basis stands at **94Mt @ 3.1% Zn+Pb and 4.1 g/t Ag** (using a 2% Zn+Pb cutoff) and constrained within optimised pit shells. Refer to Rumble's ASX Release dated 19-Apr-23, for full details.

Zenith, through its wholly owned subsidiary, Fossil Prospecting Pty Ltd, holds a 25% non-contributing equity in the Earahedy Joint Venture Project and is free carried by Rumble through to the completion of a Bankable Feasibility Study (BFS).

Metallurgical Studies

A successful PQ diamond drilling campaign was recently completed over the Chinook Zn-Pb deposit (see announcement ASX: RTR 9-Jan-24). Approximately two tonnes of sulphide material have been delivered to the Auralia Metallurgy laboratory in Perth, for beneficiation testwork (DMS/ore sorting) and to provide samples for further flotation flowsheet optimisation studies. The program commenced and results are due to be reported in 2024.

Discovery and Resources Drilling

Future RC drilling programs will be aimed at defining the limits of the emerging world class ZnPb-Ag base metal system within the interpreted highly prospective Navajoh Unconformity Unit, with emphasis on discovering and infilling on new and existing high-grade zones (i.e. Kalitan, Chikamin, Colorado and Magazine Feeder Faults). In the short term the focus of this work will be concentrated on the JV tenement E69/3464 as well as 100% Rumble E69/3464 and E69/3787 tenements.

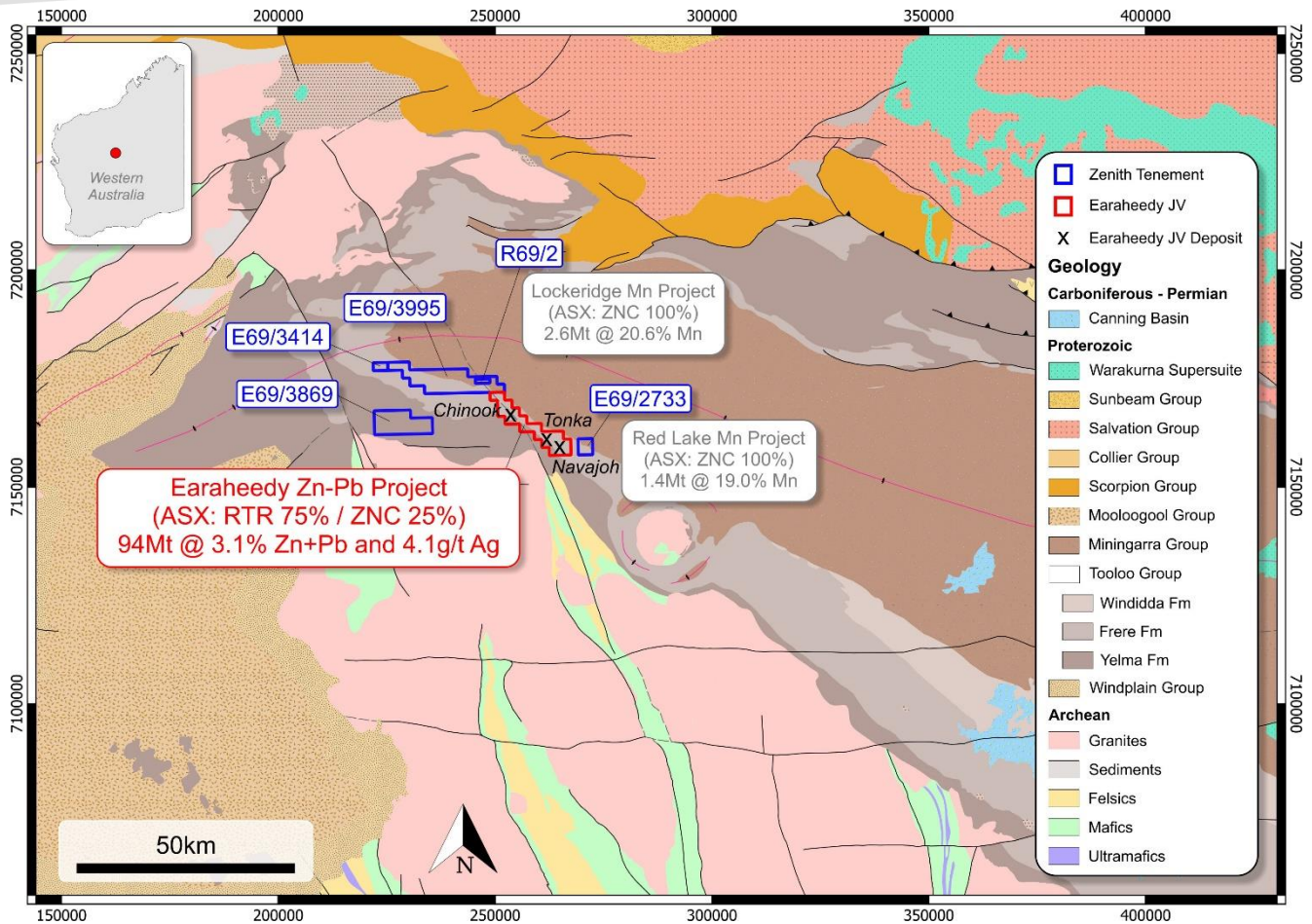


Figure 15: Map of the Earraheedy Zinc Project showing tenements owned 100% by Zenith Minerals alongside the joint venture (JV) areas with Rumble Resources. The map highlights the extensive mineralised zones.

JV Scoping Studies

Rumble advised that work would commence on initial supporting scoping studies for the Earraheedy Project following flotation optimisation and beneficiation testing, to consider some of the possible future development scenarios/options.

EARAHEEDY ZINC PROJECT – WA (Zenith 100%)

The Earraheedy Zinc Project (EZP) covers an area to the northeast and west of the Earraheedy Joint Venture project and comprises four granted exploration licences. Limited exploration was completed during the year.

Investments

The Company holds investments in various listed entities because of project-based transactions. Holdings as at 1-Jul-24 were:

Bradda Head Holdings Ltd (LON & TSX-V:BHL)
43.9M shares

Alien Metals Ltd (LSE AIM:UFO)
7.827M shares

Oxley Resources Pty Ltd* (9.4M shares, 26% of Oxley).

*Oxley owns the Cowarra Gold project in NSW, with multiple regional prospects and gold targets over 8km of strike, with limited systematic drill testing having occurred to date. Discrete IP geophysical targets from Oxley's survey work are a high priority for drill follow-up. S2 Resources Limited also signed an agreement with Oxley to earn a 70% interest in the Warraweena Ni-Cu project in NSW (S2R:ASX Release 4-Dec-23).

Other Projects

Kavaklitepe

Zenith's joint venture partner for the Kavaklitepe gold project in Turkey, Gubretas Maden a Turkish mining company that owns there nearby Sogut gold mine (under development) is planning an infill RC drilling programme over the project to enable a JORC Compliant resource to be estimated. Zenith has elected not to contribute to the programme and will dilute from its current 20% equity in the project. Should Zenith's equity fall below 10% it will revert to a share in a 5% Net Profit Royalty.

REE Portfolio

In May 2023 Zenith signed a binding, but conditional agreement (ASX Release 8-May-23), that granted unlisted company WA Rare Earths Pty Ltd (WRE) an option to acquire 80% legal and beneficial interest in a rare earth element (REE) project portfolio (REE portfolio) held by Zenith. The REE portfolio included 7 granted exploration licences (EL's) and 1 exploration licence applications (ELA's) in Western Australia. On 6-Oct-23 WRE advised Zenith that it would not proceed with the option to acquire the REE assets and the projects were returned to Zenith. Although clay hosted rare earth mineralisation was likely to be present the Company considered that the potential for ionic rare earth style mineralisation within this tenement package to be low and hence all tenements were surrendered.

Yilmia Lithium Project (dropped)

In May 2023 Zenith signed a binding option agreement to secure up to a 100% interest in the lithium rights over tenure near Coolgardie – Western Australia (ASX Release 22-May-23). During the year drilling was completed and assays were received from the program at the Yilmia lithium project in Western Australia (refer to ASX Releases 19-Oct-23, 4-Oct-23, 22-May-23 for background). The program confirmed that the hypothesized greenstone host sequence extends under soil cover throughout the project area for over 8km of strike. Most drill holes intersected pegmatites, ranging in thickness from 1m up to 20m, as per the target model, but based on analytical results the pegmatites are not considered to be of lithium - caesium – tantalum (LCT) character and do not contain any significant lithium contents. Following receipt and interpretation of multi-element drill hole geochemistry a comprehensive prospectivity assessment was completed in late-January 2024. Based on the review the Company considered that the Yilmia lithium target had been adequately tested and it did not proceed with an option over the property. Full control of the project was returned to the project owner during the year.

Hayes Hill Lithium-Nickel-Gold Project (dropped)

Drilling to test large (2.5km long) gold targets (ASX Release 9-Apr-24) along with a maiden drill test of Green Bananas nickel sulphide target was completed during the year, along with comprehensive systematic surface geochemical screening for lithium pegmatites. In the Company's opinion, the results returned from these drilling and geochemical programs did not warrant the payment of the \$700,000 cash option fee, due on 1 Aug 2024, for Zenith to earn an 80% joint venture interest in the Hayes Hill project.

The Company was unsuccessful in renegotiating the commercial terms of the option with the project owner. Zenith terminated the option on 30-Jul-24 and now has no ongoing project interest, with rehabilitation of drill tracks to be completed this coming year, as required under the option agreement terms.

MINERAL RESOURCE STATEMENT

Rio Lithium Deposit Mineral Resource

Drilling at the Rio Prospect returned significant lithium mineralisation - refer to ASX Release 16-Nov-22, culminating in a maiden Inferred Mineral Resource (JORC 2012) released to ASX during the year on 28-Sep-23. The mineral resource for the Split Rocks - Rio lithium pegmatite deposit has been estimated, using all data available as at 3-Aug-23. Drilling is currently relatively wide spaced (generally 200m x 100m).

To test the reasonable prospects for eventual economic extraction, a preliminary open pit optimisation was conducted. The resultant pit captured the majority of the lithium mineralisation; the remaining mineralisation is in shallow dipping sheets that would alternatively be amenable to low-cost room and pillar underground mining.

The Mineral Resource estimate for the Split Rocks Rio project reported at a 0.5% Li₂O cutoff is shown below. The entire resource is classified Inferred and is open at depth and along strike.

Zone	Million Tonnes	Li ₂ O %	Cs ppm	Nb ppm	Sn ppm	Ta ppm	Domain
Upper	8.45	0.76	426	77	157	62	31
Middle	3.48	0.62	387	71	364	49	32
Total	11.9	0.72	415	75	217	59	-

Notes to Resource Table:

1. The Mineral Resource is estimated with all drilling data available at 3 August 2023, and reported at a 0.5% Li₂O cutoff.
2. The Mineral Resource is reported in accordance with the JORC Code 2012 Edition.
3. The Competent Person is Phil Jankowski FAusIMM of CSA Global
4. Rounding may lead to minor apparent discrepancies

Significant smoothing of lithium grades in the resource estimation process due to the current wide drill spacing (generally 200m x 100m). Closer spaced drilling has the potential to define more discrete high-grade lithium zones that could enhance the overall lithium grade of the deposit.

Lithium mineralisation remains open to the northeast, south and at depth, with further drilling required to define the full limits of mineralisation.

Lithium pegmatite mineralisation identified to date is a mixture of eucryptite with lesser spodumene, petalite and lepidolite confirmed by multiple methods including optical microscopy, SEM, Raman spectroscopy and XRD analyses.

The amenability of eucryptite mineralisation to conventional treatment processes has been shown by positive sighter flotation testwork and bench scale calcination-leach tests, hence confirming the potential of eucryptite as a viable lithium target (ASX Release 26-Jul-22).

Earaheedy Joint Venture – Zinc-Lead-Silver Mineral Resource

During 2023, Zentih's Joint Venture partner Rumble Resources limited announced a maiden, open-pit constrained, Inferred Mineral Resource Estimate (MRE) for the Chinook, Tonka and Navajoh zinc deposits that make up the Earraheedy Joint Venture Project.

The MRE on a 100% basis stands at 94Mt @ 3.1% Zn+Pb and 4.1 g/t Ag (using a 2% Zn+Pb cutoff) and constrained within optimised pit shells. Refer to Rumble's ASX Release dated 19 April 2023, for full details.

Zenith, through its wholly owned subsidiary, Fossil Prospecting Pty Ltd, holds a 25% non-contributing equity in the Earraheedy Joint Venture Project and is free carried by Rumble through to the completion of a Bankable Feasibility Study (BFS).

There was no change during the year to the Earraheedy Joint Venture Inferred Mineral Resource for zinc-lead-silver previously released to the ASX in April 2023. The pit constrained MRE hosts a 41Mt higher-grade component above a 3% Zn+Pb cut-off grade, and a very large 462Mt component above 0.5% Zn+Pb cut-off grade that has the potential to be upgraded through beneficiation, providing the Earraheedy Project with significant optionality for future development.

Cut off Zn+Pb %	Pit Constrained Inferred Resources				
	Tonnes Mt	Zn+Pb %	Zn %	Pb %	Ag g/t
0.5	462	1.3	1.0	0.3	2.2
1.0	194	2.2	1.6	0.5	3.1
2.0	94	3.1	2.4	0.7	4.2
2.5	65	3.4	2.6	0.8	4.5
3.0	41	3.8	3.0	0.8	4.9
4.0	12	4.8	3.6	1.2	5.7

Dulcie Far North – Gold Project Mineral Resource

There was no change during the year to the Dulcie Far North Inferred Mineral Resource for gold previously released to the ASX Release 11-Jul-23.

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Resource Category	Tonnes (Mt)	Au (g/t)	Contained Gold (Ounces)
Inferred	3.4	1.4	150,000

Using a 0.5 g/t Au lower cutoff grade

Develin Creek Copper-Zinc-Gold-Silver Project Mineral Resource

During the year the Develin Creek project was divested to QMines Limited (ASX:QML) for up to \$4.5M in cash and shares, plus additional work commitments, refer to ASX Release 24-Aug-23 for details. The Mineral Resource for the Sulphide City – Scorpion – Window copper – zinc deposits at the 0.5% Cu eq cut-off was previously reported in the 2023 ZNC Annual Report. Zenith only retains a 49% project interest, down from 100% on the previous year. The MRE as previously reported by Zenith is:

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

Note: 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%.

Post QML acquisition of the initial 51% interest in the Develin Creek project on the 28th August 2023, QMines announced to ASX an updated mineral resource estimate (QML:ASX Release 18-Sep-23) for the project:

Resource Category	Tonnes (Mt)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Indicated	1.5	1.2	1.2	0.2	7
Inferred	1.7	0.9	1.2	0.2	5
TOTAL	3.2	1.1	1.2	0.2	6

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

The updated resource and variance from the Zenith estimate can be attributed to revised estimation methodology employed by QML, including:

1. A new set of wireframes designed to attain more mineralisation continuity by using new and slightly lower delineation cut-off grades for the main economic elements.
2. A new set of weathering and oxidation state profile surfaces based on a reinterpretation of the geological logging, resulting in comparatively more weathered and transitional material with inherent lower bulk densities being included.
3. Application of a lower overall average bulk density for tonnage estimation of 3.20. QMines has assessed the long-range extent of high-density material as being relatively restricted but does accept that some localised high values are present as they are consistent with some of Zenith's observations of some of the high RC sample bag and core sample weights onsite.

Zenith makes no comment as to the validity of the adjustments made or the revised estimation methodology used by QML nor to the validity of the revised mineral resource estimate. Settlement for the payment by QML of the second tranche cash and shares to acquire the remaining 49% project interest is due on the 4-September-2024. Post final settlement QML will own a 100% interest in the Develin Creek project.

Red Lake Manganese Mineral Resource

There was no change to the Red Lake Inferred Mineral Resource for manganese previously released to the ASX in August 2014.

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Red Lake Manganese Mineral Resource Estimate as at August 2014

Classification	Reporting Cut-off Grade	Tonnes (Mt)	Mn %	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Inferred	25% Mn	0.2	30.0	14.1	13.8	7.9	0.24	0.03	12.1
	20% Mn	0.5	25.1	16.1	17.0	8.9	0.25	0.06	11.9
	15% Mn	1.1	20.8	17.7	20.5	9.3	0.24	0.17	11.5
	10% Mn	1.4	19.0	19.1	20.8	9.6	0.26	0.19	11.4

Note: The CSA Mineral Resource was estimated within constraining wireframe solids based on the specified nominal lower cut-off grade for Mn. The Mineral Resource is quoted from all blocks above the specified Mn cut-off grade %. Differences may occur due to rounding.

Lockeridge Manganese Mineral Resource

There was no change to the Lockeridge Inferred Mineral Resource for manganese previously released to the ASX on 15-Apr15.

Lockeridge Manganese Mineral Resource Estimate as at April 2015

Classification	Reporting Cut-off Grade	Tonnes (Mt)	Mn %	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Inferred	20% Mn	1.0	30.2	7.0	18.9	4.1	0.12	0.01	5.7
	15% Mn	1.9	23.4	6.7	25.4	4.7	0.15	0.01	10.4
	10% Mn	2.6	20.6	6.9	27.6	5.1	0.16	0.01	12.0

Note: The Mineral Resource was estimated within constraining wireframe solids based on the specified nominal lower cut-off grade for Mn. The Mineral Resource is quoted from all blocks above the specified Mn cut-off grade %. Differences may occur due to rounding.

Mineral Resource Governance and Internal Controls

Zenith Minerals Limited ensures that the Mineral Resource estimates quoted are subject to governance arrangements and internal controls. All the Company's Mineral Resources have been estimated by independent third-party competent persons, or for selected Inferred Resources, by suitably qualified and experienced Company personnel.

All resources have been subject to review by Zenith Minerals Limited technical staff and by a subcommittee appointed by the Board of Directors. The Company re-affirms that its Mineral Resources are reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition.

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 a consultant to 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 the Develin Creek 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.

The information in this report that relates to the Dulcie Far North Gold Mineral Resource 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.

The information in this report that relates to the Split Rocks - Rio Lithium Mineral Resource is based on information compiled by Mr Phil Jankowski, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full-time employee of CSA Global. Mr Jankowski 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 Jankowski 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 the Lockeridge and Red Lake Mineral Resources is based on information compiled by Mr Michael Clifford, who is a Member of the Australian Institute of Geoscientists and a consultant to 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.

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.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity, being Zenith Minerals Limited and subsidiaries ("the Consolidated Entity") it controlled at the end of, or during, the year ended 30 June 2024, and the auditors' report thereon.

1. DIRECTORS

The Directors of the Consolidated Entity at any time during or since the end of the financial year and up to the date of this report, unless otherwise stated are:

Andrew R H Smith

Managing Director, appointed 31 July 2024

Qualifications:

BEng, BComm (Hons 1)

Experience:

Andrew is a highly experienced mining executive, with a proven track record in the mining industry. Ranging from early-stage discovery through to feasibility studies and development projects around the world, including Australia, Africa, Czech Republic and most recently the UK, Andrew's most recent success was as CEO of British Lithium, which he founded in 2017. British Lithium discovered a world-class lithium deposit in the UK and Andrew ran hands-on, the exploration and evaluation work, developing innovative (now patented) technology for the commercial beneficiation of lithium mica, which had never been previously achieved. In 2023 Andrew ran a due diligence process which resulted in a multinational partner, IMERYYS, acquiring an 80% interest in the project. IMERYYS is a world leading supplier of speciality minerals for industry and has committed to complete the feasibility and build the full-scale project incorporating Andrew's technical innovations.

Other Current Directorships:

None

Former Directorships (last 3 years):

None

Special Responsibilities:

Technical & Corporate

Interest in Shares:

None

Interest in Options:

None

Contractual Right to Shares:

5 million unlisted options: 3-year term expiring 31 July 2027 and exercisable at a price that is 50% above the 5-day VWAP at Start Date, being $(\$0.055) \times 50\% \text{ premium} = (\$0.076)$, subject to shareholder approval. Details refer to announcement dated 23 July 2024.

Michael J Clifford

Managing Director, retired 31 July 2024

Qualifications:

BSc. (Hons), 1987, MSc

Experience:

Mick Clifford is a geologist with over 30 years' experience in the exploration industry. Mick held senior technical and business development roles and explored for most major metal commodities during a successful career with Billiton Australia, Acacia Resources and AngloGold Ashanti, rising to the position of Regional Exploration Manager Australia. Mick was Managing Director of ASX listed PacMag Metals Ltd from 2005 until its takeover in 2010, when he co-founded private explorer S2M2 Coal Pty Ltd. He is experienced in international exploration, exploring for gold, copper and coal and has had exposure to mining and exploration in Australia, USA, Brazil, Indonesia, PNG, Angola, Democratic Republic of Congo, Mexico, Mongolia and Turkiye.

Other Current Directorships:

None

Former Directorships (last 3 years):

Zenith Minerals Limited

Special Responsibilities:

Technical & Corporate

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Interest in Shares: 6,411,672 Ordinary Shares
 Interest in Options 2,000,000 unlisted options exercisable at \$0.39 expiring 7 February 2025.
 Contractual Right to Shares: None

Stanley A Macdonald

Non-Executive Director, appointed 24 April 2006
 Experience: Stan Macdonald has been associated with the mining and exploration industry for over 25 years.

Other Current Directorships: None

Former Directorships (last 3 years): Gascoyne Resources Limited (Non-Executive Director from 20 April 2011, resigned 8 October 2018)

Special Responsibilities: Company promotion and project acquisition

Interest in Shares: 6,820,072 Ordinary Shares

Interest in Options 4,000,000 unlisted options exercisable at \$0.39 expiring 7 February 2025.

Contractual Right to Shares: None

Geoffrey J Rogers

Non-Executive Director, appointed 20 March 2023

Qualifications: B Juris LLB

Experience: Geoff has been involved in the resources sector for over 30 years. As a former partner at international law firm, King & Wood Mallesons, he gathered a wealth of legal experience particularly in mergers and acquisitions and the resources area. He has been involved with significant project acquisitions and project financing for many Australian and international mining and mineral development companies. He has also previously served as in-house legal counsel for an ASX listed mining company and presently manages his own sole practice advising exploration and mining companies.

Other Current Directorships: None

Former Directorships (last 3 years): None

Special Responsibilities: Corporate Law, Corporate Governance

Interest in Shares: 100,000

Interest in Options 500,000 unlisted options exercisable at \$0.211 expiring 26 May 2026 and 500,000 unlisted options exercisable at \$0.248 expiring 26 May 2027

Contractual Right to Shares: None

Andrew D Grove

Non-Executive Director, appointed 14 December 2023

Qualifications: BEng Geology, MMEcon

Experience: Andrew brings a wealth of corporate and technical expertise, as well as substantial project finance, risk management and capital markets experience to the company.

With over 30 years' experience in the global resources sector he most recently, as Managing Director at Chesser Resources Limited, elicited a successful takeover by Fortuna Silver Mines with a 95% premium. Prior to that he was Group General Manager Business Development and Investor Relations at Perseus Mining Limited. Andrew also spent 14 years at Macquarie Bank as Division Director – Mining Finance and Risk Management. He held technical roles at Areva NC, Mines and Resources Australia and at Acacia Resources Limited and holds a Masters in Mineral Economics and a Bachelor of Engineering (Minerals Exploration and Mining Geology).

Other Current Directorships: Managing Director & CEO Aura Energy Limited, February 2024 to current

Former Directorships (last 3 years): MD and CEO Chesser Resources Limited, February 2021 to October 2023
 Special Responsibilities: Corporate, Technical, Risk & Finance
 Interest in Shares: -
 Interest in Options: -
 Contractual Right to Shares: 500,000 options expiring 15 Dec 2026 and exercisable at \$0.21 each, and 500,000 options expiring 15 Dec 2027 and exercisable at \$0.25 each, subject to shareholder approval. Details refer to announcement dated 14 December 2023.

David J E Ledger Executive Chairman, appointed 2 May 2022
 Stepped down 2 November 2023

Qualifications: MAICD, SFA (UK)

Andrew P Bruton Non-Executive Director, appointed 8 December 2022
 Stepped down 2 November 2023

Qualifications: B Bus, LLB, AICDM

'Other current directorships' mentioned above are current directorships for listed entities only, excluding directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' mentioned above are directorships held in the last 3 years for listed entities only, excluding directorships of all other types of entities, unless otherwise stated.

2. COMPANY SECRETARY

Nicholas Ong

Nicholas Ong was appointed Company Secretary on 16 November 2020. He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment gold reconciliation. Nicholas is a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. Nicholas is currently a Company Secretary of several ASX listed companies.

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meeting of committees of directors) and number of meetings attended by each of the directors of the Group during the financial year are:

Director	A Smith	S Macdonald	G Rogers	A Grove	M Clifford	D Ledger	A Bruton
Meetings Attended	0	3	5	3	5	2	2
Meetings held during office	0	5	5	3	5	2	2

4. REMUNERATION REPORT – AUDITED

The remuneration report is set out under the following main headings:

- A. Principles of Compensation
- B. Key Management Personnel Remuneration
- C. Equity Instruments

The information provided under headings A-C includes remuneration disclosures that are required under the Corporations Act 2001 and the Corporations Regulations 2001. These disclosures have been transferred from the financial report and have been audited.

Details of the remuneration of the key management personnel of the Consolidated Entity are set out in tables provided under heading 'B. Key Management Personnel Remuneration'. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

A. Principles of Compensation - Audited

Compensation levels for key management personnel of the entity are competitively set to attract and retain appropriately qualified and experienced Directors and Executives.

The objective of the Consolidated Entity's reward framework is to ensure reward for performance is competitive and appropriate. The framework aligns executive reward with achievement of strategic objectives and creation of long-term growth and success for shareholders.

The Board ensures that remuneration satisfies the following criteria:

- competitiveness and reasonableness
- transparency
- acceptability to shareholders
- attracts and retains high caliber executives
- rewards capability, experience and performance
- performance alignment of executive compensation.

The full Board acts on behalf of Nomination and Remuneration Committee matters and is responsible for determining and reviewing the remuneration packages for its directors and executives. Remuneration of key management personnel for the year ended 30 June 2024 has been determined by the Board. In this respect consideration is given to normal commercial rates of remuneration for similar levels of responsibility that is market competitive and complementary to the reward strategy of the consolidated entity. Alignment to shareholders' interests focuses on pursuing long term growth in shareholder wealth, consisting of growth in share price and success of the Company within an appropriate control framework. The structure of non-executive directors' remuneration and executive remuneration are separate as recommended by Corporate Governance Council best practice.

Executive Remuneration

The consolidated entity aims to reward executives with a level of remuneration based on their position and responsibility, which has a mix of both fixed and variable components. The remuneration of executives and reward framework comprises a combination of:

- base pay and non-monetary benefits
- performance linked incentives
- share based payments
- other remuneration such as superannuation and long service leave.

Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

A. Principles of Compensation – Audited (cont.)

Compensation levels are reviewed annually by the Board of Directors acting in their capacity as the Nomination and Remuneration Committee through a process that considers individual and overall performance of the Consolidated Entity and comparable market remunerations.

Performance Linked Compensation

Performance-linked remuneration consists of long-term incentives in the form of options over ordinary shares of the Consolidated Entity. Performance-linked remuneration is not based on specific financial indicators such as earnings or dividends as the Consolidated Entity is at the exploration stage and during this period is expected to incur operating losses. There is no separate profit-share plan or short-term incentive components.

Long-Term Incentive

Long-term incentives comprise of long service leave and share based payments in the form of share options, which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder wealth. Options are granted for no consideration and do not carry voting or dividend entitlements. The exercise price of the options is determined after taking into account the underlying share price performance during the period leading up to the date of the grant. Subject to specific vesting conditions, each option is convertible into one ordinary share. There is presently no stated policy restricting key management personnel from limiting their exposure to risk in relation to options granted. The Board of Directors acting in their capacity as the Nomination and Remuneration Committee, review the long-term incentives for executives on an annual basis during its review process of the executive's performance.

Consequences of Performance on Shareholder Wealth

The overall level of key management personnel compensation takes into account the performance of the Consolidated Entity over a number of years.

Performance in respect of the current financial year and the previous four financial years is detailed in the table below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
Profit/(Loss) attributable to owners of the Group	(4,473,522)	(9,314,093)	1,465,147	2,010,141	(383,397)
Basic Profit/(Loss) per Share	(0.0127)	(0.0264)	0.0044	0.0027	(0.002)
Share Price at financial year end (\$)	0.05	0.09	0.28	0.25	0.12
Changes in share price (from initial listing of 25 cents)	(0.20)	(0.16)	0.03	-	(0.13)

During the financial years noted above, there were no dividends paid or other returns of capital made by the Consolidated Entity to shareholders. The Consolidated Entity's performance is impacted by a number of factors including employee performance. The measures of performance of the Consolidated Entity set out in the table above have been taken into consideration in the determination of appropriate levels of remuneration by the Board acting in its capacity as the Nomination and Remuneration Committee.

Non-Executive Compensation

Remuneration of Non-executives comprise fees in the form of cash and statutory superannuation entitlements, quantified by having regard to industry practice and the need to obtain appropriately qualified, independent persons. Fees may contain non-monetary elements. Fees and payments to non-executive directors have regard to the demands and responsibilities of their role which covers all main board activities and membership of applicable sub-committees.

The Board, acting as the Nomination and Remuneration Committee, reviews non-executive director fees and payments annually. The Board may receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to other non-executive director fees, based on similar comparative roles in the marketplace. The Chairman is not present at discussions regarding the determination of his own remuneration. Subject to shareholder approval, non-executives do receive share options as incentives.

A. Principles of Compensation – Audited (cont.)

Total compensation for all non-executive directors, agreed at a general meeting on 14 March 2006 is that the maximum non-executive director remuneration be \$200,000 per annum.

Voting and comments made at The Consolidated Entity's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, more than 25 per cent of the votes cast on the resolution to adopt the Remuneration Report were cast against adoption of the report and the Company Received a 'first strike'.

B. Key Management Personnel Remuneration - Audited

The following table discloses the remuneration of the key management personnel of the Consolidated Entity.

The key management personnel of the Consolidated Entity consisted of the following directors:

- Mr D J E Ledger – Executive Chairman – stepped down 02-Nov-23
- Mr M J Clifford – Managing Director – retired 31-Jul-24
- Mr S A Macdonald – Non-Executive Director
- Mr A P Bruton – Non-Executive Director – stepped down 02-Nov23
- Mr G J Rogers – Non-Executive Director
- Mr A D Grove – Non-Executive Director

The key management personnel of Zenith Minerals Limited and subsidiaries include the directors and the following executive officers:-

		Short-Term Benefits			Post-Employment Benefits	Other Long Term Benefits	Share-Based Payments	TOTAL	S300A(1)(e)(i)	S300A(1)(e)(vi)
		Cash Salary & Fees	Cash Bonus	Non-Monetary Benefits	Super-annuation	Long Service Leave	Options		Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
		\$	\$	\$	\$	\$	\$	%	%	
Non- Executive Directors:										
S A Macdonald	2024	45,000	-	-	4,950	-	-	49,950	-	-
	2023	45,000	-	-	4,725	-	395,882	445,607	-	88.84%
J D Goldsworthy ¹	2024	-	-	-	-	-	-	-	-	-
	2023	22,500	-	-	2,362	-	98,970	123,832	-	79.92%
E J Scotney ²	2024	-	-	-	-	-	-	-	-	-
	2023	27,187	-	-	2,855	-	-	30,042	-	-
A P Bruton ³	2024	15,000	-	-	1,650	-	21,809	38,459	-	56.71%
	2023	25,282	-	-	2,655	-	21,809	49,746	-	43.84%
G J Rogers	2024	45,000	-	-	4,950	-	21,809	71,759	-	30.39%
	2023	12,702	-	-	-	-	21,809	34,511	-	63.19%
A Grove	2024	22,500	-	-	2,475	-	-	24,975	-	-
	2023	-	-	-	-	-	-	-	-	-
Executive Directors:										
D J E Ledger ⁴	2024	168,750	-	-	-	-	-	168,750	-	-
	2023	255,000	-	-	-	-	-	255,000	-	-
M J Clifford	2024	270,847	-	-	29,793	-	-	300,640	-	-
	2023	280,000	-	-	29,400	-	197,941	507,341	-	39.01%
TOTAL	2024	567,097	-	-	43,818	-	43,618	654,533	-	-
TOTAL	2023	667,671	-	-	41,997	-	736,411	1,446,079	-	-

1 J D Goldsworthy stepped down on 15 December 2022.

2 E J Scotney stepped down on 7 February 2023.

3 A P Bruton stepped down on 2 November 2023.

4 D J Ledger stepped down on 2 November 2023.

Analysis of Bonuses Included in Remuneration – Audited

No short-term incentive cash bonuses have been awarded as remuneration to directors of the Consolidated Entity or to Consolidated Entity executives.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		Remuneration linked to performance	
	2024	2023	2024	2023
Non-Executive Directors:				
S A Macdonald	100%	100%	-	-
A P Bruton	100%	100%	-	-
G J Rogers	100%	100%	-	-
A D Grove	100%	-	-	-
Executive Director:				
D J E Ledger	100%	100%	-	-
M J Clifford	100%	100%	-	-

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Service Contracts

Remuneration and other terms of employment for the other key management personnel are formalised in service agreements. The major provisions of the agreement relating to remuneration are set out below.

- David J E Ledger** - Executive Chairman, appointed 2 May 2022, stepped down 2 November 2023
- Annually renewable contract
 - Base salary of \$255,000 per annum
 - Issue of unlisted options, subject to shareholder approval
 - Three month notice period is prescribed on termination, with or without cause
- Stanley A Macdonald** - Non-Executive Director, appointed 24 April 2006
- Annually renewable contract
 - Base salary of \$45,000 per annum plus superannuation of 10.5%
 - No notice period is prescribed on termination
- Andrew P Bruton** - Non-Executive Director, appointed 8 December 2022, stepped down 2 November 2023
- Annually renewable contract
 - Base salary of \$45,000 per annum plus superannuation of 10.5%
 - No notice period is prescribed on termination
- Geoffrey J Rogers** - Non-Executive Director, appointed 8 March 2023
- Annually renewable contract
 - Base salary of \$45,000 per annum plus superannuation of 10.5%
 - No notice period is prescribed on termination
- Andrew D Grove** - Non-Executive Director, appointed 14 December 2023
- Annually renewable contract
 - Base salary of \$45,000 per annum plus superannuation of 10.5%
 - No notice period is prescribed on termination

Service Contracts (cont.)

- Michael J Clifford** - Managing Director appointed 18 March 2014, retired 31 July 2024
- Terms of Agreement* - The agreement is annually renewable. To terminate the agreement, the Consolidated Entity must provide six months' notice, or the Managing Director must provide three months' notice.
- If serious misconduct is committed by the executive, the agreement may be immediately terminated by the Consolidated Entity. On termination, the Consolidated Entity may provide the executive with a payment in lieu of notice of termination for all or part of the notice period.
- Remuneration and Benefits* - Annual base salary of \$280,000 exclusive of statutory superannuation for the financial year to 30 June 2024. Salary is reviewed annually by the Board acting as the Nomination and Remuneration Committee.
- Andrew Smith** - Managing Director appointed 31 July 2024

C. Equity Instruments – Audited

Share-Based Compensation

i) Issue of shares

There were no shares issued to the directors and other key management personnel as part of compensation during the year ended 30 June 2024 (2023: Nil)

Options were exercised during the prior year using the cashless exercise method. The unpaid amount expensed as Share-Based Compensation.

ii) Options

There were no options issued to the directors and other key management personnel as part of compensation during the year ended 30 June 2024 (2023: Nil).

Options were granted over ordinary shares during the prior financial year affecting remuneration of directors and other key management personnel, the terms and conditions are as follows:

Share-Based Compensation (cont.)

Name	Number Options Granted	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting Date
M Clifford	2,000,000	6 Dec 2022	7 Feb 2025	\$0.3900	\$0.0990	Vests at date of grant
S A Macdonald	4,000,000	6 Dec 2022	7 Feb 2025	\$0.3900	\$0.0990	Vests at date of grant
J D Goldsworthy	1,000,000	6 Dec 2022	7 Feb 2025	\$0.3900	\$0.0990	Vests at date of grant
A P Bruton	500,000	26 May 2023	26 May 2026	\$0.2100	\$0.0416	Vests at date of grant
	500,000	26 May 2023	26 May 2027	\$0.2480	\$0.0457	Vests 6 months from date of grant
G J Rogers	500,000	26 May 2023	26 May 2026	\$0.2110	\$0.0416	Vests at date of grant
	500,000	26 May 2023	26 May 2027	\$0.2480	\$0.0457	Vests 6 months from date of grant

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised, lapsed for directors and other key management personnel as part of compensation during the year are set out below:

2024:

Name	Value of options vested during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Director:				
D J E Ledger	-	-	-	-
M J Clifford	-	-	-	-
S A Macdonald	-	-	-	-
A P Bruton	21,809	-	-	56.71%
G J Rogers	21,809	-	-	30.39%
A Grove	-	-	-	-

2023:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Director:				
D J E Ledger	-	-	-	-
M J Clifford	197,941	436,900	-	39.01%
S A Macdonald	395,882	137,125	-	88.84%
J D Goldsworthy	98,970	137,125	-	79.92%
E J Scotney	74,794	-	74,794	-
A P Bruton	21,809	-	-	43.84%
G J Rogers	21,809	-	-	63.19%

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Share-Based Compensation (cont.)

Shares issued on exercise of options

Nil options granted under Zenith Minerals Limited's Employee Option Plan were exercised into ordinary shares during the year ended 30 June 2024 using the cashless exercise mechanism (2023: 5,750,000).

iii) Additional disclosures relating to key management personnel

Share Holding

The number of shares in Zenith Minerals Limited held during the financial year by each director and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2024	Ordinary Shares				
Name	Balance at the start of the year	Received as part of remuneration	Additions	Other changes	Balance at the end of the year
Directors:					
S A Macdonald	6,820,072	-	-	-	6,820,072
M J Clifford	6,411,672	-	-	-	6,411,672
D J E Ledger	350,000	-	-	(350,000)	-
A P Bruton	-	-	-	-	-
G J Rogers	-	-	100,000	-	100,000
A D Grove	-	-	-	-	-
Total	13,581,744	-	100,000	(350,000)	13,331,744

Option Holding

The number of options over ordinary shares in Zenith Minerals Limited held during the financial year by directors and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below:

2024

Name	Balance at the start of the year	Granted as Remuneration	Exercised	Resigned	Balance at the end of the year**	Vested and exercisable at 30 June 2024
Directors:						
S A Macdonald	4,000,000	-	-	-	4,000,000	4,000,000
J D Goldsworthy	1,000,000	-	-	(1,000,000)	-	-
M J Clifford	2,000,000	-	-	-	2,000,000	2,000,000
D J E Ledger	-	-	-	-	-	-
A P Bruton	1,000,000	-	-	(1,000,000)	-	-
G J Rogers	1,000,000	-	-	-	1,000,000	1,000,000
A D Grove	-	-	-	-	-	-
Total	9,000,000	-	-	(2,000,000)	7,000,000	7,000,000

Other Transactions with Key Management Personnel and their Related Parties

There are no loans to directors and executives

This concludes the remuneration report, which is audited.

5. ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was mineral exploration predominantly in Australia and also including Turkiye (Europe).

Following listing on ASX on 29 May 2007, the Consolidated Entity commenced exploration activity wherever it assessed there was an opportunity of success.

There was no significant change in the nature of the activity of the Consolidated Entity during the year.

6. OPERATING & FINANCIAL REVIEW

Overview

During the year, the Consolidated Entity undertook mineral exploration activities predominantly in Australia.

Objectives

The Consolidated Entity's objectives are to pursue opportunities in exploration and mining for precious and other minerals in areas which are highly prospective for mineralisation.

Financial Results

The loss for the financial year ended 30 June 2024, attributable to members of the Consolidated Entity, after income tax is \$4,473,522 (2023 loss: \$9,314,093).

No dividends were paid or recommended for payment during the financial year ended 30 June 2024 (2023: Nil).

Review of Financial Condition

During the year, the net assets of the Consolidated Entity decreased by \$4,379,125 from \$18,416,099 at 30 June 2023 to \$14,036,974 at 30 June 2024.

The directors consider that the Consolidated Entity holds a valuable portfolio of mineral tenements with a carrying value at 30 June 2024 of \$9,591,968 (2023: \$12,334,857). During the financial year, the Consolidated Entity impaired and wrote off capitalised exploration and evaluation expenditure of \$1,992,513 (2023: \$3,616,142) following its review of its portfolio of mineral tenements.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year ended 30 June 2024.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 July 2024, the Company announced the appointment of Mr Andrew Smith as Managing Director of the Company, which became effective from 31 July 2024.

No other matter or material event has arisen since 30 June 2024, which has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's future state of affairs.

9. MATERIAL BUSINESS RISKS

The material business risks the Group believes may have an impact on its operating and financial prospects are as follows:

Mineral Resources

The Group's Mineral Resources are estimates based largely on interpretations of geological data. No assurances can be given that Resources are accurate and that the indicated levels of minerals can be recovered from any project. To reduce the risks the Group ensures estimates are determined in accordance with the JORC Code and compiled or reviewed by qualified competent persons.

Government regulation

The Group's operations and exploration are subject to extensive laws in Australia. The Group cannot give any assurances that future amendments to current laws or regulations won't have a material impact on its projects. The Group monitors new laws and regulations to ensure compliance and address any impacts on projects as early as possible.

Exploration and development risk

Exploration for, and development of, mineral deposits have some inherent risks that even careful evaluation and execution may not produce results that were anticipated. Further, the discovery of an ore body may not ultimately be developed into producing mines. There are significant costs in establishing Resources and Reserves, obtaining all necessary operating permits, and to eventually developing a particular site.

Climate change

The Group acknowledges that its business may be impacted by the effects of climate change. The Group is committed to understanding these risks and developing strategies to manage their impact.

Environmental, Health & Safety

The Group has environmental liabilities associated with each project which have arisen because of its mining operations and exploration projects. The Group is subject to extensive laws and regulations governing the protection and management of the health and safety of workers, the environment, waste disposal, mine development and rehabilitation and local cultural heritage. Any non-compliance may result in regulatory fines and/or civil liability. The Group seeks to comply with the required permits and approvals needed for each project. Any delays in obtaining these approvals may affect the Group's operations or its ability to continue its operations.

10. LIKELY DEVELOPMENTS

The Consolidated Entity will continue to pursue its policy of acquiring and testing attractive mineral properties with a view to developing properties capable of economic mineral production.

Further information about likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

11. ENVIRONMENTAL REGULATION

The Consolidated Entity is subject to significant environmental regulation in relation to its exploration activities from the Department of Minerals and Petroleum (West Australian operations), Code of Environmental Compliance for exploration and mineral development projects, Version 1.1 and provision of the Environmental Heritage Protection Act 1994 (Queensland operations), Turkish Mining Law as administered by the Mining Affairs General Directorate of the Ministry of Energy and Natural Resources (Turkish operations) and aims to ensure that it complies with all relevant environmental legislation. The directors are not aware of any significant breaches during the period covered by this report.

12. INDEMNITY AND INSURANCE OF OFFICERS

The Consolidated Entity has indemnified the Directors and Officers for costs incurred by them in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity, of the Consolidated Entity, and any other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the Directors or Officers of the improper use of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Consolidated Entity.

During the financial year, the company paid a premium in relation to a contract to insure the Directors and Officers of the Consolidated Entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

13. INDEMNITY AND INSURANCE OF AUDITORS

The Consolidated Entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

14. SHARE OPTIONS

Shares Under Option

Unissued ordinary shares of Zenith Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise Price	Number under option
16 July 2021	14 July 2024	\$0.379	750,000
6 December 2022	7 February 2025	\$0.39	7,000,000
26 May 2023	26 May 2026	\$0.211	500,000
26 May 2023	26 May 2027	\$0.211	500,000
26 May 2023	26 May 2026	\$0.248	500,000
26 May 2023	26 May 2027	\$0.248	500,000
16 Oct 2023	13 Oct 2026	\$0.153	970,000

No option holder has any right under the options to participate in any other share issue of the Consolidated Entity.

15. SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were nil ordinary shares issued by Zenith Minerals Limited during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted.

16. PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the period.

17. DIVIDENDS

No dividends were paid or provided for during the year.

18. NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor (PKF Perth) for non-audit services provided during the financial year are outlined in Note 7 to the financial statements.

The directors are satisfied that the provision for non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 due to the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethics Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

19. OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF PKF

There are no officers of the company who are former audit partners of PKF.

20. AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

21. AUDITOR

PKF Perth continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Andrew R H Smith
Managing Director
Zenith Minerals Limited

24 September 2024
Perth, WA.



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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ZENITH MINERALS LIMITED

In relation to our audit of the financial report of Zenith Minerals Limited for the year ended 30 June 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

A handwritten signature in blue ink, appearing to read 'Alexandra Carvalho', with a horizontal line underneath.

ALEXANDRA CARVALHO
PARTNER

24 September 2024
PERTH, WESTERN AUSTRALIA

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	Consolidated Entity	
		2024 \$	2023 \$
Revenue from continuing operations			
Other Income	5	668,317	1,695,960
Interest revenue		14,397	101,236
Impairment of trade debtors	12	913,591	-
Expense			
Employee benefits expenses		(716,900)	(844,070)
Share based payments expense	25	(94,397)	(736,411)
Depreciation expense	15	(22,292)	(22,043)
Premises costs		(88,387)	(92,859)
Exploration expenses		(53,764)	(103,810)
Exploration costs written off	16	(1,992,513)	(3,616,142)
Impairment of trade debtors	12	-	(1,581,912)
Impairment of investment in associate	11	-	(89,776)
Net fair value (loss) on other financial assets	13	(2,437,526)	(2,565,420)
Share of profit/(loss) of associate accounted for using equity method	11	23,482	(5,669)
Other operating expenses	6	(687,530)	(1,453,177)
		(4,473,522)	(9,314,093)
(Loss) from continuing operations before income tax			
Income tax expense	9	-	-
		(4,473,522)	(9,314,093)
(Loss) from continuing operations after income tax benefit for the year			
Net profit after tax from discontinued operations		-	-
		(4,473,522)	(9,314,093)
Net (loss) for the year			
Other comprehensive income			
<i>Items that might be reclassified subsequently to profit or loss:</i>			
Other comprehensive loss for the year (net of tax)		-	-
		(4,473,522)	(9,314,093)
Total comprehensive (loss) for the year			
		Cents	Cents
(Loss) per share			
Continuing and discontinued operations			
Basic (loss) per share	8	(1.27)	(2.64)
Diluted (loss) per share	8	(1.27)	(2.64)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	Consolidated Entity	
		2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	10	1,138,489	2,257,094
Trade and other receivables	12	1,784,301	120,100
Financial assets at fair value through profit or loss	13	1,684,774	4,318,584
Other current assets	14	32,726	32,010
TOTAL CURRENT ASSETS		4,640,290	6,727,788
NON-CURRENT ASSETS			
Interest in associate	11	205,747	182,265
Plant and equipment	15	34,399	52,722
Exploration and evaluation expenditure	16	9,591,968	12,334,857
TOTAL NON-CURRENT ASSETS		9,832,114	12,569,844
TOTAL ASSETS		14,472,404	19,297,632
CURRENT LIABILITIES			
Trade and other payables	17	303,556	723,111
Employee benefits	18	131,874	158,422
TOTAL CURRENT LIABILITIES		435,430	881,533
TOTAL LIABILITIES		435,430	881,533
NET ASSETS		14,036,974	18,416,099
EQUITY			
Issued capital	19	40,028,343	40,028,343
Reserves	20(a)	946,772	666,892
Accumulated losses	20(b)	(26,938,141)	(22,279,136)
TOTAL EQUITY		14,036,974	18,416,099

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	40,028,343	666,892	(22,279,136)	18,416,099
Adjustment to opening balance of FCTR	-	185,483	(185,483)	-
Adjusted Balance at 1 July 2023	40,028,343	852,375	(22,464,619)	18,416,099
(Loss) for the period	-	-	(4,473,522)	(4,473,522)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(4,473,522)	(4,473,522)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of employee options (note 20)	-	94,397	-	94,397
Balance at 30 June 2024	40,028,343	946,772	(26,938,141)	14,036,974

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	38,780,371	704,773	(12,965,043)	26,520,101
(Loss) for the period	-	-	(9,314,093)	(9,314,093)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(9,314,093)	(9,314,093)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of shares, net of transaction costs (note 20)	200,000	-	-	200,000
Exercise of options	1,047,972	(774,292)	-	273,680
Issue of employee options (note 20)	-	736,411	-	736,411
Balance at 30 June 2023	40,028,343	666,892	(22,279,136)	18,416,099

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	Consolidated Entity	
		2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		760,330	182,385
Cash paid to suppliers and employees		(1,697,413)	(1,806,131)
Interest received		98,916	101,236
NET CASH (USED IN) OPERATING ACTIVITIES	26	(838,167)	(1,522,510)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of investments		1,036,620	583,579
Proceeds on sale of tenements	12	1,200,000	-
Payments for exploration and evaluation		(2,513,088)	(4,775,334)
Payments for equity investments		-	(150,000)
Payments for plant and equipment		(3,970)	(58,408)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		(280,438)	(4,400,163)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options		-	273,680
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	273,680
Net (decrease) in cash and cash equivalents		(1,120,409)	(5,648,993)
Cash and cash equivalents at the beginning of the financial period		2,257,094	7,906,087
Effect of movement in exchange rates on cash held		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	10	1,138,489	2,257,094

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. REPORTING ENTITY

Zenith Minerals Limited and controlled entities (“Consolidated Entity”) is domiciled in Australia, incorporated in Australia, publicly listed on the ASX and limited by shares. The address of the Consolidated Entity registered office and principal place of business is Level 2, 33 Ord Street, West Perth, Western Australia, 6005.

The Consolidated Entity is involved in mineral exploration.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs), Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit orientated entities.

These financial statements of the Consolidated Entity comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Consolidated Financial Statements were approved by the Board of Directors on 24 September 2024. The directors have the power to amend and reissue the financial statements. Comparative information is for period 1 July 2022 to 30 June 2023.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost and accrual accounting basis, except for the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity with supplementary information about the parent entity being included at Note 29.

(c) Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Consolidated Entity’s functional currency.

(d) Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

2. BASIS OF PREPARATION (cont.)

(d) Use of Estimates and Judgements (cont.)

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation expenditure

The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Key judgements are applied in considering costs to be capitalised, including determining those expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes and changes to commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

As at 30 June 2024, the carrying value of capitalised exploration expenditure was \$9,591,968 (2023: \$12,334,857).

Share Based Payments

The Consolidated Entity measures the cost of equity settled transactions with consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share-based payments would not impact carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity (Note 25).

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. The allowance for expected credit losses, as disclosed in Note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair Value Measurement Hierarchy

The Consolidated Entity is required to classify all assets and liabilities measured at fair value, using a three level hierarchy which is based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. In determining what is significant to fair value there is considerable judgement required. Therefore, the category the asset or liability is placed in can be subjective.

2. BASIS OF PREPARATION (cont.)

(e) Going concern basis of accounting

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity is engaged in mineral exploration activities and has no revenue generating activity yet. For the year ended 30 June 2024, the Consolidated Entity incurred a loss of \$4,473,522 (2023: loss of \$9,314,093), and experienced a cash out flows of \$838,167 (2023: \$6,297,844) on operating activities. As at 30 June 2024, the Consolidated Entity had cash & cash equivalent of \$1,138,489 (2023: \$2,257,094).

As at the date of this report, the Consolidated Entity has sufficient liquidity in the form of cash, and investments in listed entities to meet its current obligations and fund the working capital. Accordingly, this financial report has been prepared on a going concern basis.

However, the Consolidated Entity's ability to continue its exploration activities as a going concern and meet its debt obligations and commitments as and when they fall due for the 12 months from the date of this report is depended on its ability to raise sufficient equity finance at a regular frequency and/or disposing its assets at a reasonable value.

However, should the above planned activities to raise capital and or dispose any asset are not be successful there is a material uncertainty surrounding the Group's ability to continue as a going concern and therefore realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

New or Amended Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material impact on the financial report as a result of adopting the new accounting standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2024. The impact has not yet been determined.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zenith Minerals Limited (the "Company") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Zenith Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Principles of consolidation (cont.)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue (cont.)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a separate refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised in prior periods, where applicable.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply in the period in which the liability is settle or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and in the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of recognised deferred tax assets and unrecognised deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient future taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

The asset is classified as current when:

- i) It's either expected to be realised or intended to be sold or consumed in normal operating cycle;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income tax (cont.)

- ii) it's held primarily for the purpose of trading;
- iii) it's expected to be realised within 12 months after the reporting period; or
- iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Current and non-current classification

A liability is classified as current when:

- i) it's either expected to be settled in normal operating cycle;
- ii) it's held primarily for the purpose of trading;
- iii) it's due to be settled within 12 months after the reporting period; or
- iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Financial Assets Impairment

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the profit or loss statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Exploration and evaluation expenditure (cont.)

Where a project or area of interest has been abandoned, the expenditure incurred is written off in the year in which the decision is made.

Trade and other payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

(i) Share-based payment transactions

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted.

The cumulative charge to profit or loss until settlement of the liability is calculated as follows

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Employee benefits (cont.)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

4. OPERATING SEGMENTS

Identification of Reportable Operating Segments

The Consolidated Entity operates in two geographical locations, Australia, and Turkey-Europe (as acquired through the 2014 acquisition), and is organised into one operating segment being mineral, mining and exploration and all of the Consolidated Entity's resources are employed for this purpose. No transactions or assets are recognised regarding the Consolidated Entity's JV in Turkey.

This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM review expenditure in exploration. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

4. OPERATING SEGMENTS (Cont.)

Geographical Information

	Sales to external customers		Geographical non-current assets	
	2024	2023	2024	2023
	\$	\$	\$	\$
Australia	668,317	1,695,960	9,832,113	12,569,844
	668,317	1,695,960	9,832,113	12,569,844

5. OTHER INCOME

	Consolidated Entity	
	2024	2023
	\$	\$
Other Income		
Exploration Income - Profit on Sale of Tenement Interest	333,945	5,000
Exploration Income - JV Contributions (Note 12)	315,866	1,633,425
Other revenue	18,506	57,535
Revenue from Continuing operations	668,317	1,695,960

6. OTHER OPERATING EXPENSES

	Note	Consolidated Entity	
		2024	2023
		\$	\$
Accounting and Admin Services		107,300	91,250
Auditors Remuneration	7	59,650	60,000
Computer Expenses		49,423	62,636
Consulting Fee		141,110	165,493
Legal Expenses		55,604	639,074
Motor Vehicle Expense		20,200	16,398
Share Registry and Securities Exchange		66,841	89,770
Fringe Benefits Tax		13,441	3,537
Subscriptions, Publications, Memberships		11,732	70,255
Insurance		40,884	37,406
Marketing and Media		62,130	52,620
Sundry Administration Expenses		59,215	164,738
		687,530	1,453,177

7. AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Group:

	Consolidated Entity	
	2024	2023
	\$	\$
Audit services		
Auditors of the Group		
Audit and review of financial report – payable to PKF Perth	59,650	60,000
Audit and review of financial report – payable to other audit firms	-	-
Total remuneration for audit services	59,650	60,000
Non-audit services	-	-
Total Audit Services	59,650	60,000

8. (LOSS) PER SHARE

	Consolidated Entity	
	2024 (Cents)	2023 (Cents)
Continuing operations		
Basic (loss) per share – cents	(1.27)	(2.64)
Diluted (loss) per share – cents	(1.27)	(2.64)

	Consolidated Entity	
	2024 \$	2023 \$
The (loss) and weighted average number of ordinary shares used in the calculation of basic and diluted (loss) per share are as follows:		
(Loss) used in calculation of earnings per share		
- continuing operations	(4,473,522)	(9,314,093)
- discontinued operations	-	-
Weighted average number of ordinary shares for the purposes of basic (loss) per share	352,380,883	352,380,883
Weighted average number of ordinary shares for the purposes of diluted (loss) per share	<u>352,380,883</u>	<u>352,380,883</u>

For the year ended 30 June 2024, the consolidated entity made a loss. Therefore, the options on issue are considered anti-dilutive and diluted earnings per share is the same as basic earnings per share.

9. INCOME TAX EXPENSE

	Consolidated Entity	
	2024 \$	2023 \$
a) Income Tax Expense		
Current tax	-	-
Aggregate Income tax expense	<u>-</u>	<u>-</u>
Income tax expense is attributable to:		
Profit from continuing operations		-
Profit from discontinued operations		-
Aggregate income tax expense	<u>-</u>	<u>-</u>
Deferred tax - origination and reversal of temporary differences		-

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

9. INCOME TAX EXPENSE (cont.)

Loss before tax	(4,473,522)	9,314,093
Prima facie tax benefit on profit/(loss) at 25% (2023: 25%)	(1,118,380)	2,328,524
Add:		
Tax effect of:		
Other non-allowable items	2,409	23,357
Share based payments	23,599	184,103
Overs/unders from prior year	(286,062)	(3,812)
Tax losses not recognised	463,159	1,239,221
Deferred tax balances (not recognised)	915,275	885,655
Income tax expense on pre-tax net profit/(loss)	-	-

Consolidated Entity

2024	2023
------	------

The applicable average weighted tax rates are as follows:

0%	0%
----	----

Deferred Tax Assets At 25% (2023: 25%)

Consolidated Entity

2024	2023
\$	\$

Carry forward losses	9,807,851	8,970,706
Provisions and accruals	35,593	52,140
Merger/acquisition costs	4,069	4,069
Lease liability	-	39,334
Right of use asset	-	-
	9,847,512	9,066,249

Tax benefit of the above Deferred Tax Assets will only be obtained if:

- The company derives future assessable income or a nature and of an amount sufficient to enable the benefits to be utilised; and
- The company continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the company in utilising the benefits.

Consolidated Entity

2024	2023
\$	\$

Deferred Tax Liabilities At 25% (2023: 25%)

Exploration expenditure	2,295,447	2,911,985
Capital raising costs	34,576	-
Property, plant and equipment	8,600	13,180
Financial assets	215,028	320,015
Prepayments	-	-
	2,553,651	3,245,180

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

10. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2024	2023
	\$	\$
Cash at bank and in hand	1,137,489	1,256,094
Deposits at call	1,000	1,001,000
	1,138,489	2,257,094

- a) Reconciliation to cash and cash equivalents at the end of the year.

The above figures are reconciled to cash and cash equivalents at the end of the financial year, as shown in the Statement of Cash Flows, as follows:

Balances as above	1,138,489	2,257,094
Cash and cash equivalents in statement of cash flows	1,138,489	2,257,094

The Consolidated Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 21.

11. INTEREST IN ASSOCIATE

The Consolidated Entity has a 26.65% (30 June 2023: 26.65%) interest in Oxley Resources Limited. The Consolidated Entity's investment in Oxley Resources Limited is accounted for using the equity method in the consolidated financial statements.

Summarised statement of financial position of Oxley Resources Limited.

	Consolidated Entity	
	2024	2023
	\$	\$
Cash and cash equivalents	7,859	63,230
Trade and other receivables	109,759	45,459
Exploration and evaluation expenditure	684,632	610,810
Non-current assets	-	-
Trade and other payables	(30,198)	(35,561)
Net assets/ equity	772,052	683,938

	Consolidated Entity	
	2024	2023
	\$	\$
Zenith's 26.65% share (30 June 2023: 26.65%)	205,747	182,265
Impairment recognised	-	-
Zenith's carrying account of investment in Oxley Resources Limited	205,747	182,265

Summarised statement of profit or loss of Oxley Resources Limited

Other Income	100,000	-
Administration Costs	(11,888)	(21,272)
Profit/(loss) for the period	88,112	(21,272)
Zenith's 26.65% share	23,482	(5,669)

Movement Reconciliation

Balance at beginning of financial year	182,265	127,710
Payments for investment	-	150,000
Share of loss recognised	23,482	(5,669)
Impairment	-	(89,776)
Balance at end of financial year	205,747	182,265

12. TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Current</i>		
Trade receivables	-	1,581,582
GST receivable	121,801	120,430
Other receivables (i)	1,662,500	-
Provision for impairment (ii)	-	(1,581,912)
	1,784,301	120,100

(i) Divestment of Develin Creek Copper-Zinc Project. The consideration included:

An up-front payment to Zenith of \$1.2M cash and \$1M worth of QML shares (based on the 15-day volume weighted average price of QML shares) for a 51% interest (received).

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 second tranche of \$1.3M cash and issue another \$1M worth of QML shares (based on the 15-day volume weighted average price of QML shares) to Zenith for an additional 49% interest.

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.

Gain on sale is reconciled as below:

	\$
Initial consideration	2,040,335
Deferred consideration **	1,662,500
Carrying value of assets sold (Note 16)	<u>(3,368,890)</u>
Gain on sale (Note 5)	<u>333,945</u>

** The zinc concentrate grades of the detailed metallurgical study, which will determine the quantum of the deferred consideration as outlined above, were not known at 30 June 2024. However, as disclosed at Note 27, subsequent to year end, it was determined and agreed with QML that the grades are below 50%.

(ii) Reconciliation of Impairment of Trade Debtors

	\$
Balance of Trade Receivable at 1 July 2023	1,581,582
Sales during the year	315,866
Credit Notes Issued during the year	<u>(1,229,127)</u>
Total written off and offset	<u>668,321</u>
Reversal of impairment provision 1 July 2023	(1,581,912)
Impairment reversal other income 30 June 2024	<u>913,591</u>
Balance at 30 June 2024	<u>-</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Current</i>		
Listed ordinary shares – at fair value through profit and loss.	1,684,774	4,318,584
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial years.		
Opening fair value	4,318,584	7,467,583
Additions	840,336	-
Disposals	(1,036,620)	(583,579)
Realised loss on financial assets sold	(714,062)	(145,181)
Unrealized change in fair value	(1,723,464)	(2,420,239)
Closing fair value	1,684,774	4,318,584

14. OTHER CURRENT ASSETS

	Consolidated Entity	
	2024	2023
	\$	\$
Bonds & deposits	32,726	32,010
	32,726	32,010

15. PLANT AND EQUIPMENT

	Consolidated Entity	
	2024	2023
	\$	\$
Plant and equipment – at cost	28,624	26,248
Less: Accumulated depreciation	(25,685)	(25,309)
	2,939	939
Motor vehicles – at cost	139,570	139,570
Less: Accumulated depreciation	(113,845)	(104,359)
	25,725	35,211
Computer equipment and software – at cost	55,788	54,194
Less: Accumulated depreciation	(50,053)	(37,622)
	5,735	16,572
Carrying Amount	34,399	52,722

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15. PLANT AND EQUIPMENT (cont.)

a) Movement Reconciliation

	Plant & Equipment	Motor Vehicles	Computer Equipment & Software	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2022	25,822	99,570	36,211	161,603
Additions	426	40,000	17,983	58,409
Disposals/Write-off	-	-	-	-
Balance at 30 June 2023	26,248	139,570	54,194	220,012
Balance at 1 July 2023	26,248	139,570	54,194	220,012
Additions	2,375	-	1,594	3,969
Disposals/Write-off	-	-	-	-
Balance at 30 June 2024	28,623	139,570	55,788	223,981
Depreciation				
Balance at 1 July 2022	24,843	92,243	28,161	145,247
Depreciation for the year	466	12,116	9,461	22,043
Depreciation on asset write off	-	-	-	-
Balance at 30 June 2023	25,309	104,359	37,622	167,290
Balance at 1 July 2023	25,309	104,359	37,622	167,290
Depreciation for the year	375	9,486	12,431	22,292
Depreciation on asset write off	-	-	-	-
Balance at 30 June 2024	25,684	113,845	50,053	189,582
Carrying Amount				
At 30 June 2023	939	35,211	16,572	52,722
At 30 June 2024	2,939	25,725	5,735	34,399

16. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Entity	
	2024	2023
	\$	\$
Balance at beginning of financial year	12,334,857	11,096,281
Acquisition of Hayes Hill option	-	250,000
Acquisition of Yilmia option	-	200,000
Capitalised expenditure	2,618,514	4,004,717
Less capitalised expenditure written against proceeds (Note 12)	(3,368,890)	-
Exploration expenditure written off	(1,992,513)	(3,616,142)
Balance at end of financial year	9,591,968	12,334,857

Exploration and Evaluation Assets

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest as well as maintaining rights of tenure.

During the financial year, the Consolidated Entity impaired and wrote off capitalised exploration and evaluation expenditure of \$1,992,513 (2023: \$3,616,142) following its review of its portfolio of mineral tenements, whereby decisions have been made for certain areas of interest, not to incur substantial expenditure on further exploration for and evaluation of mineral resources.

17. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Current</i>		
Trade payables (a)	243,151	551,213
Accrued fees and employment expenses (b)	60,405	171,898
	303,556	723,111

Terms and Conditions

Terms and conditions relating to the above financial instruments

- a) Trade payables are non-interest bearing and are normally settled on 30 day terms.
b) Sundry creditors and accruals are non-interest bearing and have an average term of 30 days.

18. EMPLOYEE BENEFITS

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Employee benefits	131,874	158,422
	131,874	158,422

19. ISSUED CAPITAL

	2024 Shares No.	2024 \$	2023 Shares No.	2023 \$
(a) Share capital				
Fully paid ordinary shares				
Balance at beginning of year	352,380,883	40,028,343	344,762,279	38,780,371
Issue of ordinary shares (i)	-	-	1,066,305	200,000
Exercise of options (ii)	-	-	6,552,299	1,047,972
Costs of issue	-	-	-	-
Total	352,380,883	40,028,343	352,380,883	40,028,343

(b) Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Consolidated Entity. All shares rank equally with regard to the Consolidated Entity's residual assets. Ordinary shares do not have a par value.

(c) Options

Shares Under Option

10,720,000 Unissued ordinary shares of Zenith Minerals Limited under option at 30 June 2024 are as follows:

Issued date	Expiry date	Exercise Price	Number under option
16 July 2021	14 July 2024	\$0.379	750,000
6 December 2022	7 February 2025	\$0.390	7,000,000
26 May 2023	26 May 2026	\$0.211	1,000,000
26 May 2023	26 May 2027	\$0.248	1,000,000
16 October 2023	13 October 2026	\$0.153	970,000

No option holder has any right under the options to participate in any other share issue of the Consolidated Entity.

19. ISSUED CAPITAL (cont.)

Information relating to Zenith Minerals Limited's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 25.

(d) There is no current on market share buy-back.

20. RESERVES AND RETAINED LOSSES

	Consolidated Entity	
	2024 \$	2023 \$
(a) Reserves		
<i>Options reserve</i>		
Balance at beginning of financial year	852,375	890,256
Vesting of staff options issued	94,397	736,411
Exercise of options	-	(774,292)
Balance at end of financial year	946,772	852,375
<i>Foreign Currency Translation Reserve</i>		
Balance at beginning of financial year	(185,483)	(185,483)
Foreign currency translation	-	-
Transferred to accumulated losses	185,483	-
Balance at end of financial year	-	(185,483)
Total Reserves	946,772	666,892
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at beginning of financial year	(22,279,136)	(12,965,043)
Loss for the year	(4,473,522)	(9,314,093)
Foreign currency translation reserve	(185,483)	-
Balance at end of financial year	(26,938,141)	(22,279,136)

Options Reserve

The options reserve is used to recognise the benefit on the issue of options.

Foreign Currency Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. As the Consolidated Entity has no foreign subsidiaries, the reserve is transferred to accumulated losses.

21. FINANCIAL INSTRUMENTS

Overview

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Consolidated Entity does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

21. FINANCIAL INSTRUMENTS (cont.)

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks identified.

Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from customers and investment securities. For the Consolidated Entity, it arises from receivables due from director related parties. At the reporting date there were no significant concentrations of credit risk.

The consolidated entity does not hold any collateral.

Cash and Cash Equivalents

The Consolidated Entity limits its exposure to credit risk by only investing in liquid securities and only with counter parties that have an acceptable credit rating.

Trade and Other Receivables

As the Consolidated Entity operates in the mining explorer sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to Credit Risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	Consolidated Entity	
	2024	2023
	\$	\$
Trade and other receivables	1,784,301	1,702,012
Trade receivables - Provision for impairment	-	(1,581,912)
	<u>1,784,301</u>	<u>120,100</u>

The ageing of trade receivables included in trade and other receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Carrying amount		Allowance for expected credit losses	
	2024	2023	2024	2023
	\$	\$	\$	\$
Not overdue	-	211,329	-	211,329
0 to 3 months overdue	-	31,304	-	31,304
3 to 6 months overdue	-	403,039	-	403,039
Over 6 months overdue	-	941,132	-	941,132
	<u>-</u>	<u>1,586,804</u>	<u>-</u>	<u>1,586,804</u>

The allowance accounts in respect of financial assets are used to record impairment losses unless the Consolidated Entity is satisfied that no recovery of the amount owing is possible, at that point the amount is considered irrecoverable and is written off against the financial asset directly.

21. FINANCIAL INSTRUMENTS (cont.)

Guarantees

The Consolidated Entity's policy is to not provide financial guarantees. No guarantees have been provided during the year.

Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity (mainly cash and cash equivalents) to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Consolidated Entity does not have any external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The cashflows in the maturity analysis below are not expected to occur significantly earlier than contractually disclosed above.

Consolidated Entity – 30 June 2024

Non-derivatives	Weighted Average Interest Rate	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	Over 5 years
<i>Non-interest bearing</i> Trade and other payables*	-	303,556	303,556	-	-	-
<i>Interest bearing</i> Lease liability	-	-	-	-	-	-

* The weighted average interest rate on other payables is Nil% as it is non-interest bearing.

Consolidated Entity - 30 June 2023

Non-derivatives	Weighted Average Interest Rate	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	Over 5 years
<i>Non-interest bearing</i> Trade and other payables*	-	723,111	723,111	-	-	-
<i>Interest bearing</i> Lease liability	-	-	-	-	-	-

*The weighted average interest rate on other payables is Nil% as it is non-interest bearing.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Consolidated Entity is exposed to foreign currency risk through foreign exchange rate fluctuations when it enters into certain transactions denominated in foreign currency. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

21. FINANCIAL INSTRUMENTS (cont.)

At 30 June, the carrying amount of the Consolidated Entity's financial assets denominated in foreign currencies as detailed below.

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents denominated in US dollars	-	-

A 5% movement in foreign exchange rates would increase or decrease the loss before tax by \$Nil (2023: \$Nil).

Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk, however to maintain liquidity, cash is invested for periods generally not exceeding 90 Days.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis is performed on the same basis as for 2023.

	2024		2023	
	Profit or Loss		Profit or Loss	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
	\$	\$	\$	\$
Cash & cash equivalents	144	(144)	1,012	(1,012)

Fair Values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair Value Hierarchy

The table below details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

Consolidated – 30 June 2024

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets at fair value through profit or loss	1,684,774	-	-	1,684,774
Total Assets	1,684,774	-	-	1,684,774

21. FINANCIAL INSTRUMENTS (cont.)

Consolidated – 30 June 2023

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit or loss	4,318,584	-	-	4,318,584
Total Assets	4,318,584	-	-	4,318,584

There were no transfers between levels during the financial year.

The carrying amounts of other receivables, trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2:

Unquoted investments have been valued using their share of the net asset value.

Capital Management

The Consolidated Entity's objectives when managing capital is to safeguard the Consolidated Entity's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects.

In order to maintain or adjust the capital structure, the Consolidated Entity may return capital to shareholders, issue new shares or sell assets for in-specie distributions. The Consolidated Entity's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

The Consolidated Entity monitors capital on the basis of the gearing ratio, however there are no external borrowings as at reporting date. The Consolidated Entity encourages employees to be shareholders through the issue of free options to employees.

There were no changes in the Consolidated Entity's approach to capital management during the financial year. The Consolidated Entity is not subject to any externally imposed capital requirements.

22. EXPLORATION COMMITMENTS

The Consolidated Entity has certain obligations to perform minimum exploration work and expend minimum amounts on works on mining tenements in order to retain its interests in these tenements, which would be approximately \$681,628 during the next 12 months (2023: \$609,235). There are no commitments beyond 12 months in relation to tenements. These obligations may be varied from time to time, subject to approval and are expected to be fulfilled in the normal course of operations of the entity.

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel Compensation

	Consolidated Entity	
	2024 \$	2023 \$
Short-term employee benefits	567,097	667,671
Post-employment benefits	43,818	41,997
Share-based payments	43,618	736,411
	654,533	1,446,079

Information regarding key management personnel compensation is provided in the Remuneration Report section of the Directors Report.

24. RELATED PARTY TRANSACTIONS

(a) Parent Entity and Ultimate Controlling Parent

Zenith Minerals Limited is the parent entity and ultimate controlling entity of the Consolidated Entity.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 28.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 23.

(d) Transactions with Related Parties

There were no transactions with related parties other than those set out in Note 23.

(e) Outstanding balances arising from transactions with related parties

The following balances arising from transactions with related parties are outstanding as at 30 June 2024:

	Consolidated Entity	
	2024	2023
	\$	\$
<i>Current receivables:</i>		
Trade and other receivables	-	-
<i>Current payables:</i>		
Accrued fees and employment expenses	27,472	18,232

(f) There were no loans to or from related parties at the current and previous reporting date.

All transactions were made on normal commercial terms and conditions and at market rates.

25. SHARE BASED PAYMENTS

Employee Option Plan

The establishment of the Zenith Minerals Limited's Employee Option Plan was approved by Directors resolution dated 27 February 2007. A current version of the Zenith Minerals Limited's Employee Option Plan was approved by shareholders at the Annual General Meeting held on 24th November 2016 and three years later on 20th November 2019.

The Board may offer free options to persons ("Eligible Persons") who are:

- i) full time, part time or casual employees, a contractor or an associated body corporate of the Company who have accepted a written offer of engagement; or
- ii) Directors of the company or any subsidiary based on a number of criteria including contribution to the Consolidated Entity, period of employment, potential contribution to the Consolidated Entity in the future and other factors the Board considers relevant.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share, in any event no later than thirty days, after the receipt of a properly executed notice of exercise and application monies. The Consolidated Entity will issue to the option holder, the number of shares specified in that notice. The Consolidated Entity will apply for official quotation of all shares issued and allotted pursuant to the exercise of the options.

Options may not be transferred other than to an associate of the holder.

25. SHARE BASED PAYMENTS (cont.)

2024:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired or Forfeited during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
16 Jul 2021	14 Jul 2024	\$0.3790	750,000	-	-	-	750,000	750,000
6 Dec 2022	7 Feb 2025	\$0.390	7,000,000	-	-	-	7,000,000	7,000,000
26 May 2023	26 May 2026	\$0.211	1,000,000	-	-	-	1,000,000	1,000,000
26 May 2023	26 May 2027	\$0.248	1,000,000	-	-	-	1,000,000	1,000,000
16 Oct 2023	13 Oct 2026	\$0.153	-	970,000 *	-	-	970,000	970,000
			9,750,000	970,000	-	-	10,720,000	10,720,000

* On November 2023, 970,000 options were issued to employees. The options are exercisable at \$0.153 and expire 13 October 2026. The options have no vesting conditions. The options were valued using a Black scholes pricing model under the following assumptions:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16 Oct 2023	13 Oct 2026	\$0.100	\$0.153	96%	-	4.06%	\$0.0523

2023:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired or Forfeited during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
01 Dec 2020	14 May 2023	\$0.1097	4,500,000	-	(4,500,000)	-	-	-
14 May 2020	14 May 2023	\$0.1097	650,000	-	(650,000)	-	-	-
25 Nov 2019	24 Nov 2022	\$0.087	3,250,000	-	(3,250,000)	-	-	-
16 Jul 2021	14 Jul 2024	\$0.3790	750,000	-	-	-	750,000	750,000
6 Dec 2022	7 Feb 2025	\$0.390	-	7,000,000	-	-	7,000,000	7,000,000
6 Dec 2022	5 May 2025	\$0.592	-	1,000,000	(1,000,000)	-	-	-
26 May 2023	23 May 2026	\$0.211	-	1,000,000	-	-	1,000,000	500,000
26 May 2023	23 May 2027	\$0.248	-	1,000,000	-	-	1,000,000	500,000
			9,150,000	10,000,000	(8,400,000)	(1,000,000)	9,750,000	8,750,000

25. SHARE BASED PAYMENTS (cont.)

Employee Option Plan (cont.)

Zenith Minerals Limited	Weighted average exercise price	Number of Options	Weighted average exercise Price	Number of options
	2024	2024	2023	2023
Outstanding at the beginning of the period	\$0.36	9,750,000	\$0.12	9,250,000
Exercised during the period	-	-	\$0.17	(9,400,000)
Granted during the period	\$0.153	970,000	\$0.38	10,000,000
Forfeited during the period	-	-	\$0.592	(1,000,000)
Lapsed during the period	-	-	-	-
Outstanding at end of the period	\$0.34	10,720,000	\$0.36	9,750,000
Exercisable at the end of the period	\$0.34	10,720,000	\$0.41	8,750,000

2023:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
6 Dec 2022	5 May 2023	\$0.285	\$0.390	74%	-	3.24%	\$0.0990
26 May 2023	26 May 2026	\$0.135	\$0.211	62%	-	3.24%	\$0.0416
26 May 2023	26 May 2027	\$0.135	\$0.248	62%	-	3.24%	\$0.0457

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to public available information.

Total expense recognised as share-based payments for the 2024 financial year was \$94,397 (2023: \$736,411).

The weighted average remaining contractual life of share options outstanding at the end of the year was 1 year (2023: 2.3 years).

The weighted average exercise price during the financial year was \$0.34 (2023: \$0.36).

26. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated Entity	
	2024	2023
	\$	\$
(Loss)/ Profit for the year	(4,473,522)	(9,314,093)
Add:		
Non-cash items		
Share of (gain)/losses and impairment of Associate accounted for using equity method	(23,482)	95,441
Net fair value loss on other financial assets	2,437,526	2,565,420
Depreciation	22,292	22,043
Share based payment expense	94,397	736,411
Profit on sale of tenements	(333,945)	-
Exploration expenditure written off	1,992,513	-

26. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE TO NET CASH USED IN OPERATING ACTIVITIES (cont.)

Changes in operating liabilities:

Decrease/(Increase) in trade and other receivables and other current assets	(2,409)	57,780
Decrease/(Increase) in exploration expenditure capitalised	-	(1,038,631)
Increase/(Decrease) in trade and other payables relating to operating activities	(524,987)	566,718
Increase/(Decrease) in provisions	(26,550)	11,067
Net cash (used in) operating activities	(838,167)	(6,297,844)

(a) Non-cash investing and financing activities.

During 2024, there were no non-cash investing and financing activities to disclose other than those in Note 29.

27. SUBSEQUENT EVENTS

On 23 July 2024, the Company announced the appointment of Mr Andrew Smith as Managing Director of the Company, which became effective from 31 July 2024.

No other matter or material event has arisen since 30 June 2024, which has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's future state of affairs.

28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 3.

Name	Principal place of business/country of incorporation	Ownership interest	
		2024 %	2023 %
Nanutarra Minerals Pty Ltd	Australia	100%	100%
Earaheedy Minerals Pty Ltd	Australia	100%	100%
Mackerel Metals Ltd (formerly S2M2 Coal Pty Ltd)	Australia	100%	100%
Mackerel Copper Pty Ltd (formerly Kalicoal Pty Ltd)	Australia	100%	100%
MKM Gold (WA) Pty Ltd *	Australia	100%	100%
MKM Gold (QLD) Pty Ltd *	Australia	100%	100%
Mamucoal Pty Ltd	Australia	100%	100%
S2M2 Eastern Coal Pty Ltd	Australia	100%	100%
Black Dragon Energy (Aus) Pty Ltd	Australia	100%	100%
Zacatecas Minerals Pty Ltd	Australia	100%	100%
Fossil Prospecting Pty Ltd	Australia	100%	100%
Caldera Metals Pty Ltd	Australia	100%	100%
Lighthouse Min Pty Ltd (deregistered 15/05/24)	Australia	-	100%
Reel Min Pty Ltd	Australia	100%	100%
Lifeboat Min Pty Ltd (deregistered 12/05/24)	Australia	-	100%

* These subsidiaries have no balance and not traded in current year

The Consolidated Entity is incorporated in Australia and its principal activity is exploration.

29. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2024, the parent entity of the Consolidated Entity was Zenith Minerals Limited.

	2024 \$	2023 \$
Result of Parent Entity:		
Profit (loss) for the period	(1,488,376)	(9,043,333)
Other comprehensive income (loss)	-	-
Total Comprehensive Income (loss) for the period	(1,488,376)	(9,043,333)
Financial Position of Parent Entity at Year End:		
Current assets	5,020,037	6,896,840
Total Assets	16,627,019	18,416,099
Current liabilities	403,625	798,727
Total Liabilities	403,625	798,727
Total Equity of the Parent Entity Comprising of:		
Share capital	40,028,343	40,028,343
Reserves	946,773	852,375
Retained earnings/(losses)	(24,751,722)	(23,263,346)
	16,223,394	17,617,372

The Parent Entity has no guarantees at 30 June 2024 (2023: Nil)

Contingent Assets and Liabilities

There are no contingent assets and liabilities at reporting date (2023: Nil).

30. DIVIDENDS

No dividends have been paid or provided for.

31. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities at reporting date (2023: Nil).

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name	Type of entity	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Parent Company					
Zenith Minerals Limited	Body corporate	100%	Australia	100%	n/a
Controlled Entities					
Nanutarra Minerals Pty Ltd	Body corporate	100%	Australia	100%	n/a
Earaheedy Minerals Pty Ltd	Body corporate	100%	Australia	100%	n/a
Mackerel Metals Ltd (formerly S2M2 Coal Pty Ltd)	Body corporate	100%	Australia	100%	n/a
Mackerel Copper Pty Ltd (formerly Kalicoal Pty Ltd)	Body corporate	100%	Australia	100%	n/a
MKM Gold (WA) Pty Ltd *	Body corporate	100%	Australia	100%	n/a
MKM Gold (QLD) Pty Ltd *	Body corporate	100%	Australia	100%	n/a
Mamucoal Pty Ltd	Body corporate	100%	Australia	100%	n/a
S2M2 Eastern Coal Pty Ltd	Body corporate	100%	Australia	100%	n/a
Black Dragon Energy (Aus) Pty Ltd	Body corporate	100%	Australia	100%	n/a
Zacatecas Minerals Pty Ltd	Body corporate	100%	Australia	100%	n/a
Fossil Prospecting Pty Ltd	Body corporate	100%	Australia	100%	n/a
Caldera Metals Pty Ltd	Body corporate	100%	Australia	100%	n/a
Reel Min Pty Ltd	Body corporate	100%	Australia	100%	n/a

* These subsidiaries have no balance and not traded in current year

Basis of preparation

This Consolidated Entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Consolidated Entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations:

- Australian tax residency
The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency

Where necessary, the Consolidated Entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

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DIRECTORS' DECLARATION

1. In the opinion of the directors of Zenith Minerals Limited:
 - (a) the Financial Statements and notes thereto, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and Remuneration Report marked as audited, and its performance for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) the Financial Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 2(a);
 - (c) there are reasonable grounds to believe that the Company and the Consolidated Entity will be able to pay its debts as and when they become due and payable.
2. The information disclosed in the attached consolidated entity disclosure statement is true and correct.
3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to s.295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Andrew R H Smith
Managing Director

Dated: 24 September 2024
PERTH, WA

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH MINERALS LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Zenith Minerals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Zenith Minerals Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the financial report which indicates the consolidated entity has incurred a loss of \$4,473,522, has operating cash outflows of \$838,167 and has a cash and cash equivalents balance of \$1,138,489 for the year ended 30 June 2024. These conditions along with other matters in note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2024 the carrying value of exploration and evaluation assets was \$9,591,968 (2023: \$12,334,857), as disclosed in note 16.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in notes 2(d) and 3.

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard *AASB 6 - Exploration for and Evaluation of Mineral Resources* ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
 - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for permits that will expire in the near future;
 - holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
 - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- assessing the appropriateness of the related disclosures in notes 2(d), 3 and 16.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:-

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and for such internal control as the Directors determine is necessary to enable the preparation of:-
 - i) the financial report (other than the consolidated entity disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Zenith Minerals Limited for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in black ink that reads 'Alexandra Carvalho'.

ALEXANDRA CARVALHO
PARTNER

24 September 2024
PERTH, WESTERN AUSTRALIA

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CORPORATE GOVERNANCE STATEMENT

Zenith Minerals Limited and its subsidiaries ('Group') Corporate Governance Statement outlines the main corporate governance practices of Zenith Minerals Limited and its subsidiaries ('Group') in place throughout the financial year ended 30 June 2024, which comply with the 3rd Edition of the Australian Securities Exchange ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, unless otherwise stated.

The Group's Corporate Governance Statement for the financial year ending 30 June 2024 is current as at 24 September 2024 and has been approved by the Board of Directors of Zenith Minerals Limited.

The Corporate Governance Statement is available on the Zenith Minerals Limited website at <https://www.zenithminerals.com.au/corporate/corporate-governance-policies/>.

The company's ASX Appendix 4G, which is a checklist that cross-references the ASX Principles and Recommendations to the relevant disclosures in either this statement, the Annual Report or the company website, is contained on the website at www.zenithminerals.com.au.

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ADDITIONAL SHAREHOLDERS INFORMATION

In Compliance with ASX Requirements

The shareholder information set out below was applicable as at 17 September 2024.

1. DISTRIBUTION OF EQUITY SECURITIES

a) Analysis of numbers of shareholders by size of holding – ordinary fully paid shares (ZNC)

Holding Ranges	Holders	Total Units	% Issued Share Capital
0 up to and including 1,000	460	159,520	0.05%
1,000 up to and including 5,000	679	1,793,139	0.51%
5,000 up to and including 10,000	320	2,592,838	0.74%
10,000 up to and including 100,000	838	29,202,126	8.29%
> 100,000	308	318,633,260	90.42%
Totals	2,605	352,380,883	100.00%

b) Number of shareholders holding less than a marketable parcel – 1,522 (at 17 September 2024).

2. PARTICULARS OF TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Shares Issued		Fully Paid Ordinary Shares	
		Number held	% of total
1	BNP PARIBAS NOMS PTY LTD	32,653,896	9.27%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,354,793	8.05%
3	CITICORP NOMINEES PTY LIMITED	22,241,634	6.31%
4	MS NADA GRANICH	8,883,404	2.52%
5	MRS PAULINE TILBROOK & MR JOHN BEVAN TILBROOK & MR JOHN EDWIN TILBROOK	8,050,000	2.28%
6	ABINGDON NOMINEES PTY LTD <ABINGDON NOMS INVEST A/C>	7,446,353	2.11%
7	MS SUZI QUELI MIQUILINI	7,433,446	2.11%
8	GREENHILL ROAD INVESTMENTS PTY LTD	6,832,418	1.94%
9	BREAMLEA PTY LTD <J & E MACDONALD>	6,826,364	1.94%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,678,343	1.61%
11	FIRST TRUSTEE COMPANY (NZ) LIMITED <IAN ROGER MOORE A/C>	5,000,000	1.42%
12	GDR PTY LTD <THE RILEY SUPER FUND A/C>	5,000,000	1.42%
13	BREAMLEA PTY LTD <J AND E MACDONALD TRUST A/C>	4,790,091	1.36%
14	MR JOHN BEVAN TILBROOK	4,050,000	1.15%
15	COBALT CONSULTING PTY LTD <CLIFFORD FOUR A/C>	3,979,404	1.13%
16	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C>	3,963,832	1.12%
17	TINTERN (VIC) PTY LTD <A & P MILLER FAMILY A/C>	3,828,228	1.09%
18	EV METALS GROUP PLC	3,654,677	1.04%
19	YANDAL INVESTMENTS PTY LTD	3,588,417	1.02%
20	MR JOHN BEVAN TILBROOK & MRS PAULINE TILBROOK & MR JOHN EDWIN TILBROOK <TILBROOK SUPERFUND A/C>	3,450,000	0.98%
TOTAL FOR TOP 20:		182,381,417	51.76%

ADDITIONAL SHAREHOLDERS INFORMATION

3. VOTING RIGHTS

Ordinary Shares: At general meetings of the Company, each member entitled to vote may vote in person or by proxy or attorney or representative. On a show of hands every person who is a member or a representative of a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each share held.

Options: No voting rights

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

Ordinary Shares	Number held	% Interest
BNP PARIBAS NOMS PTY LTD	32,653,896	9.27%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,354,793	8.05%
CITICORP NOMINEES PTY LIMITED	22,241,634	6.31%

5. UNQUOTED EQUITY SECURITIES

The following unquoted options are on issue:

	Number on Issue	Number of Holders
Options issued under the Company's Employee Option Plan to take up ordinary shares:		
- Exercisable at 21.1 cents expiring 26 May 2026	1,000,000 ⁽¹⁾	2
- Exercisable at 24.8 cents expiring 26 May 2027	1,000,000 ⁽²⁾	2
- Exercisable at 39 cents expiring 7 February 2025	7,000,000 ⁽³⁾	3
- Exercisable at 15.3 cents expiring 13 October 2026	1,000,000 ⁽⁴⁾	8
⁽¹⁾ Persons holding 20% or more: Anna Bruton <The Bruton Family A/C> Geoff Rogers <The GJ Rogers Family A/C>	50% 50%	
⁽²⁾ Persons holding 20% or more: Anna Bruton <The Bruton Family A/C> Geoff Rogers <The GJ Rogers Family A/C>	50% 50%	
⁽³⁾ Persons holding 20% or more: Cobalt Consulting Pty Ltd <Clifford Four A/C> Creekwood Nominees Pty Ltd <The Challenger A/C>	29% 57%	
⁽⁴⁾ Persons holding 20% or more: Christopher Shanley	31%	

ADDITIONAL SHAREHOLDERS INFORMATION

6. ON-MARKET BUY BACK

There is no current on-market buyback.

7. RESTRICTED SECURITIES

There are no restricted securities on issue.

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INTERESTS IN MINING TENEMENTS AS AT 30 JUNE 2024

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PROJECT	LOCATION	TENEMENT NUMBER	HOLDER	ZENITH MINERALS INTEREST	STATUS
Earaheedy Zinc JV	WA	E69/3464	Rumble Resources Ltd Fossil Prospecting Pty Ltd	75% 25%	Granted
Earaheedy Zinc JV	WA	M69/150	Rumble Resources Ltd Fossil Prospecting Pty Ltd	75% 25%	Pending
Earaheedy Mn	WA	E69/2733	Zenith Minerals Limited	100%	Granted
Earaheedy Mn	WA	E69/3414	Zenith Minerals Limited	100%	Granted
Earaheedy Mn	WA	R69/2	Zenith Minerals Limited	100%	Granted
Earaheedy Zinc	WA	E69/3869	Caldera Metals Pty Ltd	100%	Granted
Earaheedy Zinc	WA	E69/3995	Caldera Metals Pty Ltd	100%	Granted
Develin Creek	QLD	EPM16749	Mackerel Metals Limited	49%	Granted
Develin Creek	QLD	EPM17604	Mackerel Metals Limited	49%	Granted
Auburn	QLD	EPM27517	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Privateer	QLD	EPM27552	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Red Mountain	QLD	EPM26384	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Waratah Well	WA	E59/2170	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Waratah Well	WA	E59/2321	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Morris Bore	WA	E52/4028	Zenith Minerals Limited	100%	Relinquished
Split Rocks	WA	E77/2375	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2386	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2388	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2395	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2457	Black Dragon Energy (AUS) Pty Ltd	100%	Relinquished
Split Rocks	WA	E77/2513	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2514	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2515	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2555	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2598	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	E77/2616	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	P77/4490	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks	WA	P77/4507	Black Dragon Energy (AUS) Pty Ltd	100%	Granted
Split Rocks-Dulcie	WA	M77/1292	Black Dragon Energy (AUS) Pty Ltd	ZNC owns mineral rights below 6m	Granted

INTERESTS IN MINING TENEMENTS cont.

PROJECT	LOCATION	TENEMENT NUMBER	HOLDER	ZENITH MINERALS INTEREST	STATUS
Hayes Hill	WA	E15/1588	Loded Dog Prospecting Pty Ltd	Option to acquire 100%	Not Exercised
Hayes Hill	WA	E63/1773	Loded Dog Prospecting Pty Ltd	Option to acquire 100%	Not Exercised
Yilmia	WA	E15/1760	Kalgoorlie Mining Associates Pty Ltd	Option to acquire 100% of lithium rights	Not Exercised
Yilmia	WA	E15/1783	Kalgoorlie Mining Associates Pty Ltd	Option to acquire 100% of lithium rights	Not Exercised
Kavaklitepe	Turkey	EL20079861	Gubretas Maden Yatirimlari Anonim Siketi	~20%	Granted

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