

31 January 2017

Quarterly Activities Report for Period Ended 31 December 2016

Further success in maiden drilling program at Kildare and extensive data review paves way for major zinc exploration campaign in 2017

KILDARE MVT ZINC PROJECT, IRELAND

- Thick, high-grade intercepts returned from maiden drilling programs at the Shamrock and McGregor prospects at the 100%-owned Kildare MVT Zinc Project, Ireland.
- High-grade results from the Shamrock Prospect include:
 - **15.65m @ 11.17% Zn + Pb** from 417.15m in ZB16-002
 - **14.19m @ 7.28% Zn + Pb** from 435.9m in ZB16-004
 - **13.5m @ 6.06% Zn + Pb & 18.99g/t Ag** from 19m in ZB16-003
 - **11.3m @ 6.5% Zn + Pb** from 67.5m in ZB16-001
- High-grade zinc-lead mineralisation across multiple stratigraphic levels at McGregor including:
 - **36.5m @ 4.05% Zn & 0.47% Pb** from 4.50m – “Allenwood Beds”
 - **6.15m @ 7.16% Zn & 0.47% Pb** from 92.15m – “Allenwood Beds”
 - **2.00m @ 12.85% Zn & 0.76% Pb** from 191.60m – “Allenwood Beds”
 - **21.05m @ 7.35% Zn & 1.72% Pb** from 405.45m, including:
 - **9.15m @ 12.53% Zn & 2.17% Pb** from 406.55m – “Base of Reef”
 - **3.10m @ 10.23% Zn & 0.12% Pb** from 454.0m – “Sub-Reef”
 - *The Sub-Reef intersection highlights the potential of a **fourth, relatively untested horizon.***
- Processing of abundant historical data commenced, including thousands of metres of historical drill core, to confirm historical intersections. This program is now well advanced.
- Technical strategy meeting held on site with the Company’s Irish base metal experts to develop targets for a major follow-up drilling program commencing in Q1 2017.
- Continues to explore additional opportunities within Ireland relating to projects and key elements of infrastructure.

CORPORATE

- Appointment of highly-experienced mining executives Peter van der Borgh as Managing Director (based in the UK) and Thomas Corr as non-executive Director (based in Ireland), significantly boosting its European-based management team.
- Non-binding term sheet signed with Roman Kings Pty Ltd for ZMI’s non-core Leonora Gold Project.

Overview

The December Quarter marked an important period for Zinc of Ireland NL (ASX: ZMI – “ZMI” or “the Company”) as it continued to progress its maiden exploration program at the newly-acquired Kildare MVT Zinc Project in Ireland.

Following initial results from the Shamrock prospect last quarter, further impressive results were received from the Shamrock and McGregor prospects. At McGregor, assays confirmed the presence of significant thick zones of zinc mineralisation over at least four distinctly stacked mineralised horizons, confirming the potential of the Kildare Project. An extensive program also commenced during the Quarter to process the abundant historical data from the Project, including thousands of metres of historical drill core, and correlate it with the results of the recent drilling programs. Due to the disparate nature of prior ownership, this has not been done before.



Figure 1: ZMI's projects (stars) and major zinc mines in Ireland

In addition to delivering thick, high-grade intercepts, the Company's maiden drilling program has revealed pertinent information that raises a number of important considerations for the Kildare Project, such as the potential for the mineralisation at the McGregor and Shamrock prospects to link up. Another significant development was the high-grade mineralisation intersected in the Sub-Reef zone at Shamrock, which appears to be considerably more widespread than previously thought.

A review of the historical data suggests that a paucity of structural targeting by previous explorers may open up a number of areas of opportunity for Zinc of Ireland in its future exploration targeting at the Kildare Project.

A technical strategy meeting was held in Ireland towards the end of the Quarter with the Company's Irish base metal experts to review the results of this data review and recent drilling in order to refine the Company's exploration strategy and establish opportunities for outlining a zinc resource.

The results of this work, together with an overview of the Company's exploration plans for 2017, will be presented to the market in a detailed Project Update during February. Against the backdrop of continued improvements in the zinc price, Zinc of Ireland is very optimistic about the outlook for the Kildare Project and the opportunity to delineate a zinc resource at an opportune time in the zinc price cycle.

Kildare MVT Zinc Project, Ireland (ZMI: 100%)

Shamrock Prospect

As outlined in the September Quarterly report, assays were received from the first four drill holes (ZB16-001 to ZB16-004) of the Phase 1 drilling campaign at the Shamrock Prospect, with best results including:

- ZB16-001: 4.45m @ 4.87% Zn + Pb (4.74% Zn) from 57.95m and 11.3m @ 6.5% Zn + Pb (5.75% Zn) from 67.5m including 3.0m @ 12.75% Zn + Pb (11% Zn) from 72.7m
- ZB16-002: 1.8m @ 8.14% Zn + Pb (5.9% Zn) from 371.05m and 24.35m @ 8.9% Zn + Pb (8.19% Zn) from 413.45m including 15.65m @ 11.17% Zn + Pb (10.36% Zn) from 417.15m
- ZB16-003: 13.5m @ 6.06% Zn + Pb (2.76% Zn) & 18.99g/t Ag from 19m
- ZB16-004: 4.61m @ 9.45% Zn + Pb (8.48% Zn) from 400.9m and 14.19m @ 7.28% Zn + Pb (6.67% Zn) from 435.9m including 2.53m @ 18.52% Zn + Pb (16.65% Zn) from 435.9m

Note: ZB16-004 intersections refer to a calculated true vertical width due to inclined drill hole

Drilling has confirmed and extended historical mineralisation by intersecting several high-grade zones of thick sulphide breccia and zones of massive sulphide in ZB16-002 and ZB16-004, ~30m below the Waulsortian Reef. ZB16-004 confirms the presence of this new zone of mineralisation for the Kildare MVT District, whilst ZB16-002 extends it by 120m to the east.

McGregor Prospect

Highly encouraging assay results were also returned from drilling at the McGregor prospect, located ~1km east of Shamrock, with best intercepts from drill hole ZC16-001 (see Figure 2). The hole intersected a total of 68.8 metres of zinc-lead mineralisation grading more than 4.5% combined across multiple stratigraphic levels with assay results comprising:

- 36.5m @ 4.05% Zn & 0.47% Pb from 4.50m;
- 6.15m @ 7.16% Zn & 0.47% Pb from 92.15m;
- 2.00m @ 12.85% Zn & 0.76% Pb from 191.60m;
- 21.05m @ 7.35% Zn & 1.72% Pb from 405.45m *including*
 - 9.15m @ 12.53% Zn & 2.17% Pb from 406.55m; and
- 3.10m @ 10.23% Zn & 0.12% Pb from 454.0m.

Hole ZC16-001 was designed to test previously-identified mineralisation across several stratigraphic levels at McGregor, namely the Allenwood Beds, Top of Reef and Base of Reef. In addition, the hole was drilled deeper than most previous holes to test a fourth, relatively untested mineralised horizon, the 'Sub Reef Zone', where it intersected 3.10m @ 10.23% zinc.

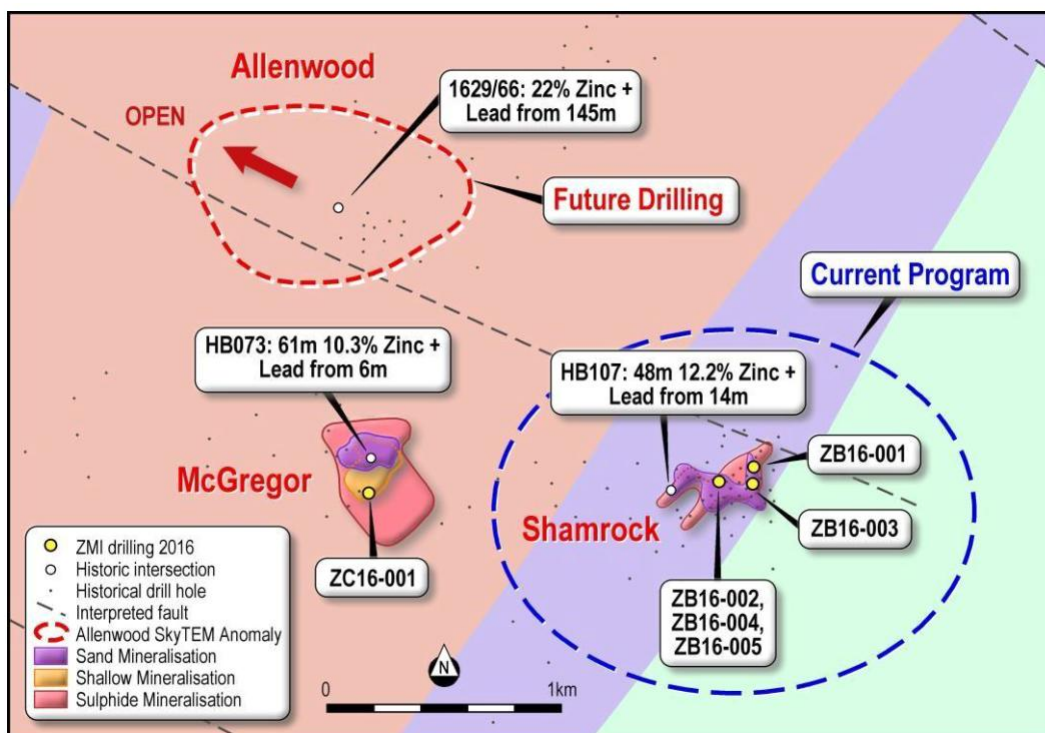


Figure 2: drill-hole locations from the recent program at Shamrock and McGregor

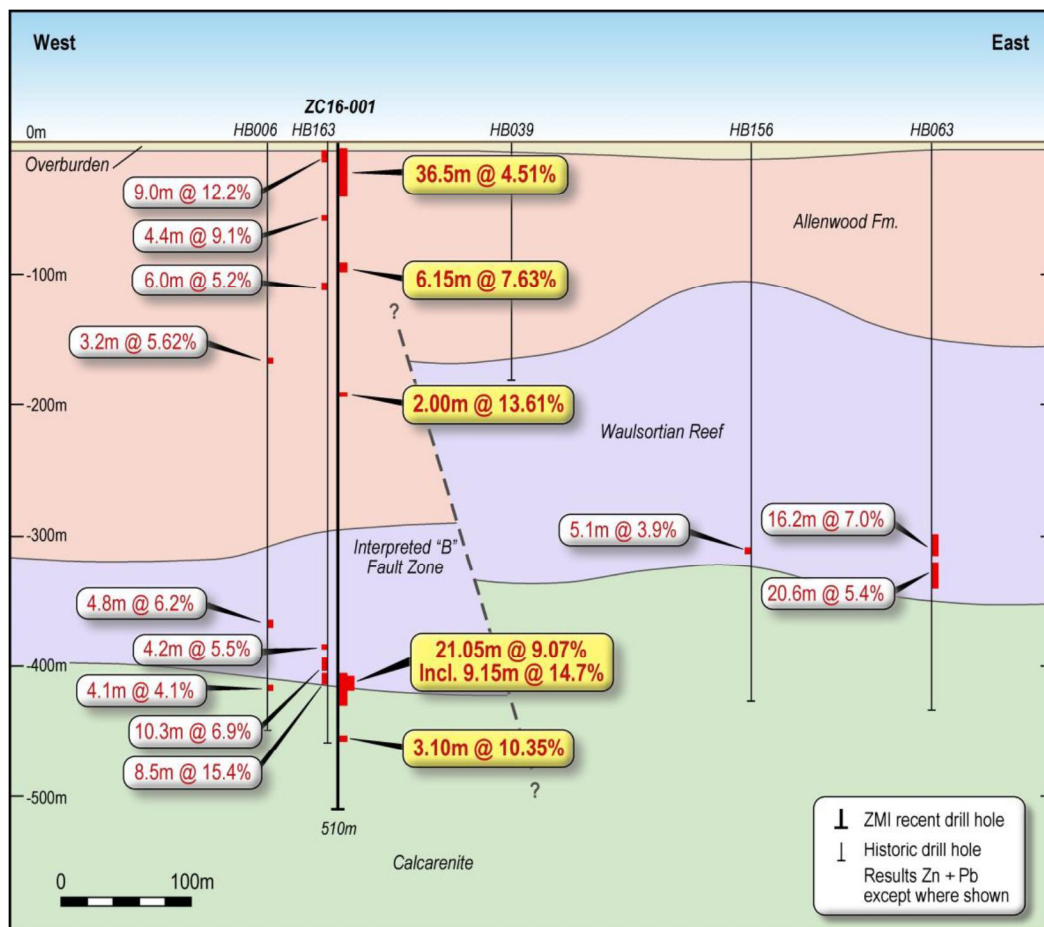


Figure 3: cross-section showing the stratigraphic sequence at McGregor and the results of hole ZC16-001.

Corporate

The Company continues to review additional opportunities that would complement and enhance its zinc portfolio within Ireland via its internal project generation and targeting program and discussions with other parties. ZMI is also reviewing elements of infrastructure that could deliver cost and time savings in a future development scenario.

As outlined in the September 2016 Quarterly Report, in early October the Company appointed Mr Peter van der Borgh as Managing Director. Mr van der Borgh has more than 30 years' world-wide experience in the mining industry, as geologist, executive, and non-executive director with several exploration and resource development companies.

In 2005, he formed Cortona Resources Limited, a former ASX-listed company, and the same year was a founding Director of Globe Uranium Limited, where he was instrumental in the discovery of the Kanyika Niobium deposit in Malawi.

As Managing Director of Cortona, Peter orchestrated the acquisition and development of the Dargues Reef Gold Project in NSW, overseeing exploration, resource/reserve definition, mining studies, feasibility studies, environmental assessments, community consultation, government liaison and the mining approvals process. Dargues Reef became the first gold mine in more than 10 years to receive planning permission in NSW.

During this time Cortona raised more than \$25 million, and negotiated a \$45 million debt facility with a leading international bank, as well as securing mining and construction agreements and processing arrangements. Mr van der Borgh managed the successful merger of Cortona with Unity Mining in 2012/13, and brings a wealth of hands-on experience across a range of disciplines from the coal face to the board room.

Mr van der Borgh currently resides in the UK from where he is well positioned to manage ZMI's Irish projects.

In addition, the Company appointed Mr Thomas Corr as a Non-Executive Director.

Mr Corr has over 10 years' experience in the finance and resources sectors in both Australia and Europe. He was a founder of Zinc Mines of Ireland Limited (which was acquired by the Company in July 2016) having been a resident of Ireland for several years. Mr Corr was instrumental in the acquisition of the Company's Kildare MVT Project and its other projects.

Mr Corr resides in Ireland and has significant experience with Irish projects and Australian and European capital markets.

During the Quarter, ZMI entered into a binding Terms Sheet with Roman Kings Pty Ltd (Roman Kings) in respect of its non-core Leonora Gold Project comprised of two tenements, being M37/1202 (Crawfords) and E37/893 (Gambier Lass North) (Project).

Roman Kings controls several tenements in the Leonora area and aims to aggressively explore its landholding and considers the Project to be complementary to its strategy particularly in light of the recent reinvigoration of exploration and mining activities in the Leonora area.

Upon satisfaction of conditions precedent (including relating to mutual due diligence and Roman Kings undertaking a fundraising), ZMI will be issued shares in Roman Kings to the value of no less than \$100,000 (based on the price of the Roman Kings fundraising) and Roman Kings will be required to spend \$350,000 within 18 months to earn 51% of the Project (Stage 1). Roman Kings is required to undertake all works necessary to calculate a Mineral Resource in Stage 1.

Following Stage 1, ZMI will have the option to retain its 49% interest and contribute to the development of the Project or to require Roman Kings to purchase a further 24% (reducing ZMI's interest in the Project to 25%) for \$250,000 in cash or shares, with ZMI being able to elect to receive no less than \$125,000 in cash (Stage 2).

ZMI will also receive \$5 per ounce of gold contained in a Mineral Resource exceeding 20,000 ounces at more than 1.0g/t gold.

It is a condition subsequent that Roman Kings must be admitted to list on ASX (or similar stock exchange) within 18 months or any interest earned by Roman Kings in the Project will revert to ZMI.

The agreement is consistent with ZMI's focus on the exploration of the Kildare MVT Zinc Project.

Next Steps

The first assays of the Phase 1 drilling program have enabled a better understanding of the mineralisation at Kildare by differentiating drill holes that have selectively sampled mineralisation and identifying target areas that are under-explored. As significant sulphide mineralisation has been intersected in all holes drilled to date, ZMI remains encouraged by the potential for the Kildare MVT District to host economic mineral deposits.

ZMI is currently processing abundant historical Kildare data and correlating this with the results of its recent drilling to refine its exploration strategy. Due to the disparate nature of prior ownership, this has not been done before.

In addition to delivering thick high-grade zinc intercepts, the Company's recent drilling has revealed pertinent information that raises a number of important considerations for the Kildare Project, such as the potential for the mineralisation at the McGregor and Shamrock prospects to link up.

Another significant development is the high-grade mineralisation intersected in the Sub-Reef zone, which appears to be considerably more widespread than previously perceived. This zone is present in several holes drilled below the Waulsortian Reef, including the recent holes drilled by ZMI, and this could significantly expand the potential of the Kildare Project.

Furthermore, ZMI's review of historical data suggests a paucity of structural targeting by previous explorers. This opens up a number of areas for further inquiry which could greatly assist with the next phase of exploration, including:

- The role which deformation may have played in the development of the zinc-rich breccias; and
- The potential for the faults that underwent the most displacement in a district to host the biggest orebodies in that district – a feature of several large deposits in Ireland. Such faults at Kildare remain essentially untested due to the emphasis on geochemistry and geophysics to guide historical exploration.

The Company intends to present an overview of its exploration strategy and program for 2017 in a market update during February, once it has been fully reviewed and approved by the board.

This announcement will effectively provide the blueprint for the Company's forward program at Kildare and its strategy to establish a maiden zinc resource as rapidly as possible in this highly prospective zinc district.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Patrick Corr'.

Patrick Corr

Non-Executive Chairman
Zinc of Ireland NL

Investor Inquiries:

Peter van der Borgh
Zinc of Ireland NL
Peter@zincofireland.com

Media Inquiries:

Nicholas Read
Read Corporate
Tel: +61-8 9388 1474

Competent Person Statement

The information in this document that relates to exploration results is based on information compiled by Mr Benjamin Sharp BSc MAIG, a Competent Person who is a Member of the Australian Institute of Geoscientists (Membership No.4289). Mr Sharp is a director and shareholder of Zinc of Ireland NL. Mr Sharp has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken 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 (JORC Code). Mr Sharp consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

Certain statements contained in this announcement, including information as to the future financial or operating performance of ZMI and its projects are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;*
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by ZMI, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,*
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.*

ADDITIONAL INFORMATION

JORC CODE, 2012 EDITION – TABLE 1

The following sections are provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.

Section 1 Sampling Techniques and Data

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Sampling is by half core (generally NQ diameter) of mineralised sections only. The entirety of the drill hole has not been sampled and additional samples, if collected, may be reported at a later time. Sampling has occurred within lithological domains and as such does not cross lithological boundaries. Samples are prepared by ALS Loughrea, Co Galway by crushing to 70% passing <2mm with a representative sample then split using a Boyd splitter. The split sample is pulverised to 85% passing <75um. The samples are then assayed by a multi element oxidising digestion with an inductively coupled plasma atomic emission spectroscopy finish (ICP-AES). A selection of samples also have specific gravity (S.G.) measured.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond drilling, PQ, HQ and NQ sized. Upper portions of the drill holes were triple tubed or tri-coned to increase hole stability. The core was not orientated

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drill core had recovery lengths and RQD estimated. Triple tubing was used to stabilise the hole. There does not appear to be a relationship between recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Drill holes have been logged by a competent representative geologist in Ireland. The detailed logging is ongoing and should support addition into a mineral resource estimate at a later date. A visual estimate of mineral types and amounts and interpreted lithology was completed using a standardised logging template. Photography of mineralised zones is complete.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Core has been sampled by cutting in half before lab preparation. The sample preparation is considered "industry standard" for this sample type. A representative selection of submitted samples comprised duplicates, blanks and standards which were unbeknownst to the assaying laboratory. The laboratory also conducted internal QAQC checks. Fields duplicates, blanks and standards for the submitted assays have all surpassed internal and ZMI QAQC standards.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples are assayed by a multi element oxidising digestion with an inductively coupled plasma atomic emission spectroscopy finish (ICP-AES). A selection of samples also have specific gravity (S.G.) measured. Ore grade analysis for base metals and associated elements by ICPAES, following a strong oxidizing acid digestion. Elements (low reporting limit/upper limit) –units are % unless indicated otherwise: Ag (1/1500 ppm (µg/g)), As (0.005/30.0), Bi (0.005/30.00), Ca (0.01/50.0), Cd (0.001/10.0), Co (0.001/20.0), Cu (0.005/40.0), Fe (0.01/100.0), Hg (8/10000 ppm (µg/g)), Mg (0.01/50.0), Mn (0.005/50.0), Mo (0.001/10.0), Ni (0.001/30.0), P (0.01/20.0), Pb (0.01/30.0), S (0.05/50.0), Sb (0.005/100.0), Tl (0.005/1.0), Zn (0.01/100.0). Internal QAQC results all appear within limits. Lab-produced QAQC results all appear within limits.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Drill hole data is compiled digitally by company representatives. Samples are yet to be submitted to an umpire laboratory for check analysis. Holes were not twinned. Assays have been adjusted to represent weighted averages over 1m.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Collars were surveyed by a Trimble Geo-Explorer 6000, RTK Differential GPS in Irish Grid 65. Downhole surveys were completed using a Reflex EZ-TRAC. Location of the collar and downhole information is considered appropriate for this stage of exploration.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drill collars are not at a standard data spacing but are placed to intersect maximum metal grades (see plan view map above). Data spacing for the results contained in this report are not appropriate for resource estimation alone. Sample compositing has not been applied. Assay compositing (combining individual assays into one reportable length) has however occurred.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Mineralisation appears to be horizontal/sub-horizontal. Drilling at 90° has therefore not appeared to bias the reported results. The angled hole mentioned has had true vertical thickness calculated and this is the reported interval.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were under the custody of company representatives in-country until delivery to the lab.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have taken place.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Kildare Project is comprised of 6 tenements namely PL3846, PL3866, PL4069, PL4070, PL4072 and PL4073. All tenements are 100% owned by Raptor Resources, a subsidiary of Zinc of Ireland NL. No historical, wilderness or national parks are known to infringe significantly on the tenure. A comprehensive list of all tenure owned by Zinc of Ireland NL is included in Annexure B.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historical exploration is outlined in GXN Announcement dated 17th March 2016 and associated annexes.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Kildare Project is situated approximately 2km NW of the Lower Paleozoic Kildare Inlier on a northeast-southwest trending reverse fault. Local geology consists of sediments conformably overlying Carboniferous Waulsortian Mudbank. This mudbank overlies a thick succession of carbonates and limestones atop basement volcanics. The area is considered prospective for breccia-hosted Fe-Zn-Pb deposits (a Mississippi Valley-type mineralisation style).
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> ZB16-001: 276,990mE, 224,788mN, 95.01 mAOD, -90° dip, 0° azimuth, total depth 183m. ZB16-002: 276,899mE, 224,749mN, 96.97mAOD, -90° dip, 0° azimuth, total depth 491m. ZB16-003: 276,989mE, 224749mN, 95.01mAOD, -90° dip, 0° azimuth, total depth 106m. ZB16-004: 276,899mE, 224,749mN, 96.97mAOD, -70° dip, 260° azimuth, total depth 471.3m. Intercept lengths are summarised on page 1 Downhole intercepts for ZB16-004 are in bold brackets below with true vertical widths quoted first (as is reported in this release). True vertical widths are considered a more accurate representation of mineralisation and have been reported. 4.61m (5.3m downhole) @ 9.45% Zn + Pb (8.48% Zn) from 400.9m and 14.19m (16.3m downhole) @ 7.28% Zn + Pb (6.67% Zn) from 435.9m including 2.53m (2.9m downhole) @ 18.52% Zn + Pb (16.65% Zn) from 435.9m

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No minimum cut-off grade has been applied to the reported intersections. Assays have been weighted to 1m intervals. Internal dilution may occur. Reported intersections reflect the highest grade and/or the widest mineralised intersections No metal equivalents have been quoted.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Relationship between true mineralisation width and reported intercepts appear to be either perpendicular or close to for 90° drill holes. Angled holes have a lower angle of intersection and as such true vertical widths have been calculated.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Plans and sections appear throughout this release.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All drill holes with assays received have been reported Reported intervals are those which are of the highest grade and/or greatest width.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Further assays are yet to be received and will be released to the market as they occur.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> See future work/plans above.

TENEMENT DETAILS

PL Number	Owner	Status	County
3846	Raptor Resources Ltd. (100%)	Held	Kildare
3866	Raptor Resources Ltd. (100%)	Held	Kildare
4069	Raptor Resources Ltd. (100%)	Held	Kildare
4070	Raptor Resources Ltd. (100%)	Held	Kildare
4072	Raptor Resources Ltd. (100%)	Held	Kildare
4073	Raptor Resources Ltd. (100%)	Held	Kildare
2440	Beal Na Blath Resources Ltd. (100%)	Held	Cork
3202	Beal Na Blath Resources Ltd. (100%)	Held	Cork
2724	Beal Na Blath Resources Ltd. (100%)	Held	Galway
3251	Beal Na Blath Resources Ltd. (100%)	Held	Galway
3459	Beal Na Blath Resources Ltd. (100%)	Held	Galway
3880	Beal Na Blath Resources Ltd. (100%)	Held	Galway
1450	Beal Na Blath Resources Ltd. (100%)	Held	Meath
2836	Beal Na Blath Resources Ltd. (100%)	Held	Meath
2193	Beal Na Blath Resources Ltd. (100%)	Held	Monaghan
3027	Beal Na Blath Resources Ltd. (100%)	Held	Monaghan
3871	Beal Na Blath Resources Ltd. (100%)	Held	Monaghan
2105	Beal Na Blath Resources Ltd. (100%)	Held	Roscommon
3163	Beal Na Blath Resources Ltd. (100%)	Held	Roscommon
1690	Beal Na Blath Resources Ltd. (100%)	Held	Sligo
3969	Beal Na Blath Resources Ltd. (100%)	Held	Sligo
3397	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
3870	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
4247	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
4248	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
4249	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
4250	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
4251	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
3414	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan
3526	Beal Na Blath Resources Ltd. (100%)	Application	Monaghan

Note: Raptor Resources Ltd and Beal Na Blath Resources Ltd are wholly owned subsidiaries of ZMI

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ZINC OF IRELAND NL

ABN

23 124 140 889

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(450)	(559)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(98)	(124)
	(e) administration and corporate costs	(218)	(548)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if materials)	-	-
1.9	Net cash from / (used in) operating activities	(764)	(1,226)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,700
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(97)	(224)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(97)	3,476

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,183	72
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(764)	(1,226)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(97)	3,476
4.5	Effect of movement in exchange rates on cash held	(38)	(38)
4.6	Cash and cash equivalents at end of period	2,284	2,284

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	284	3,183
5.2 Call deposits	2,000	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,284	3,183

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

98

-

Directors' fees and wages – all payments are on normal commercial terms

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

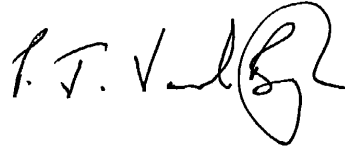
N/A

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	250
9.2	Development	-
9.3	Production	-
9.4	Staff costs	98
9.5	Administration and corporate costs	50
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	398

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: _____
Managing Director

Date: 31 January 2017

Print name: **Peter van der Borgh**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.