

2 March 2017

Major New Diamond Drilling Program to Commence Shortly at Kildare Zinc Project, Ireland

Final clearances received; drill mobilisation underway; multiple targets to be tested

Key Points:

- Final clearances received for Phase 2 drilling program at 100%-owned Kildare MVT Zinc Project.
- ~3,000m of diamond drilling planned.
- Experienced UK and European drilling contractor Priority Drilling engaged to undertake the program, with site preparations and mobilisation underway.
- Drilling to commence around 10 March with the program designed to expand known mineralisation and test a number of newly identified exploration prospects. Regular updates will be provided.
- Targets to be drilled include extensions of the McGregor Prospect, where thick intercepts of high-grade zinc-lead mineralisation were returned late last year, and newly identified structures coincident with deep overburden anomalies and surface soil anomalies.

European base metals explorer Zinc of Ireland NL (ASX: ZMI – “ZMI” or “the Company”) is pleased to announce that it has commenced final preparations for its Phase 2 diamond drilling program at its 100%-owned **Kildare MVT Zinc Project** in Ireland (Figure 1) with drilling expected to start within days.

The Company has received final approvals for the upcoming program from the Exploration and Mining Division (EMD) of Minerals Ireland, the Irish Government department responsible for permitting exploration and mining projects.

ZMI has engaged Priority Drilling, an experienced surface and underground drilling contractor which is the biggest provider of diamond drilling services in Ireland and the UK, to undertake the program.

The upcoming program will comprise approximately 3,000m of diamond drilling and has been designed to test multiple prospects, including extensions of mineralisation at previously drilled prospects and a number of newly identified high-priority exploration targets. The Phase 2 program builds on the successful maiden drilling program completed late last year.

The drilling rig is due to arrive at site on 8 March with drilling to commence soon thereafter. The number of holes will depend upon the mineralisation encountered in the target horizons

tested during drilling – with the potential for at least two target horizons to be tested per hole. The Company will provide regular updates on the program as the drilling advances.



Figure 1 – Kildare MVT Zinc Project, Ireland

ZMI’s Managing Director, Mr Peter van der Borgh, said the upcoming drilling program marked the culmination of a successful period of consolidation and interpretation of data, both from the Company’s maiden drilling program last year and the extensive historical data available for the project.

“We now have a much better understanding of the exciting exploration opportunities in front of us at Kildare, and we are very pleased to be mobilising to begin this pivotal drilling program,” he said.

“We have always recognised the geological potential of this project given its location within the Rathdowny mineralised trend and 80km along strike from the world-class Lisheen zinc mine,” he said.

“What we now have is the benefit of having compiled and reviewed the vast database of soil geochemistry and drilling information for the project, which comprises more than 650 drill-holes, and combining it with the information we gained from the maiden drilling program last year.

“The opportunity to adopt an holistic approach to exploration of this project for the first time in its history represents a potential game-changer, and we are very much looking forward to putting all our hard work to the test in this upcoming program. The holes have been designed both to progress advanced prospects such as McGregor, where there is an opportunity to delineate a JORC resource in the near term, and to test completely new greenfields targets where we believe there is outstanding discovery potential.”

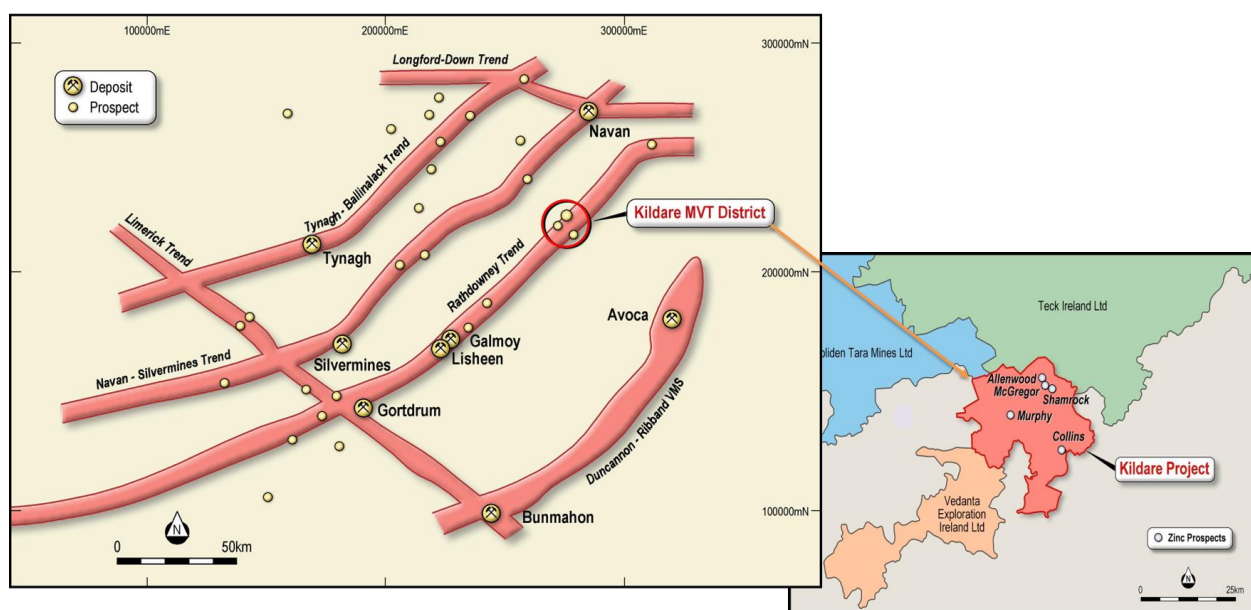


Figure 2: Regional setting of the Kildare Project.

The Kildare District is host to numerous Mississippi Valley Type (MVT) zinc-rich breccias, with the favourable “Waulsortian Limestone” host rock forming a bed across the district.

ZMI’s maiden drilling program was undertaken at the Shamrock and McGregor Prospects (see Figure 3), in late 2016, with the results confirming and extending historical mineralisation. The drilling has confirmed the presence of significant thick zones of zinc mineralisation over at least four distinct mineralised horizons.

A detailed overview of the targets to be tested in the upcoming program was provided in the Drilling Update Presentation lodged on 20 February 2017.

Following is a summary of the key prospects to be tested as part of the upcoming drilling program (see Figure 3):

- The **McGregor prospect** was discovered in the early 1970s following successful soil and deep overburden sampling programs. Extensive drilling since then has defined a thick, high-grade sheet of mineralisation along the Base of Reef horizon, as well as in the overlying Allenwood Beds and underlying Sub-Reef. An in-fill hole is required to test the eastern extent of the mineralisation prior to the calculation of a resource;
- The Base of Reef horizon remains untested beneath two deep overburden anomalies (**A and B**) that could potentially link the McGregor and Shamrock prospects (Figures 3 & 4); and
- ZMI’s structural interpretation of the Allenwood Graben has been combined with historical soil anomalies at **Derrymullen** and **Harzand** for two exciting blue sky targets (Figure 3).

Further detail will be provided on each prospect as the drilling program advances.

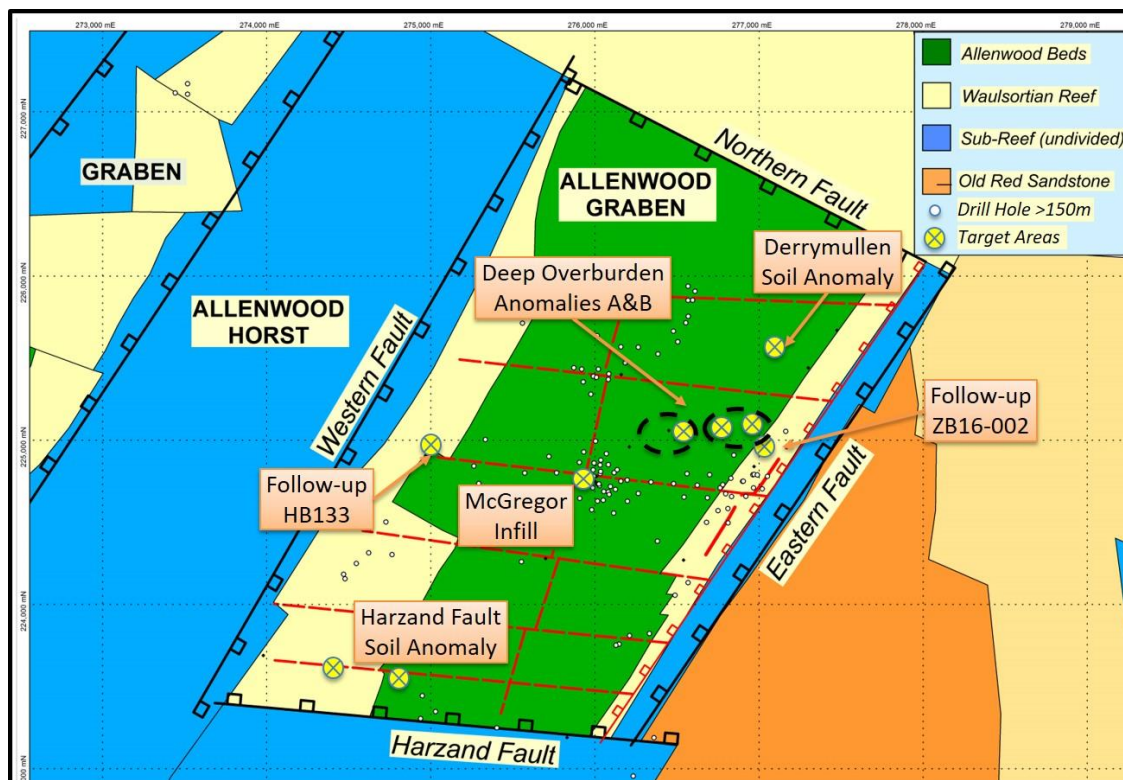


Figure 3: Location of targets to be tested in the upcoming drilling program.

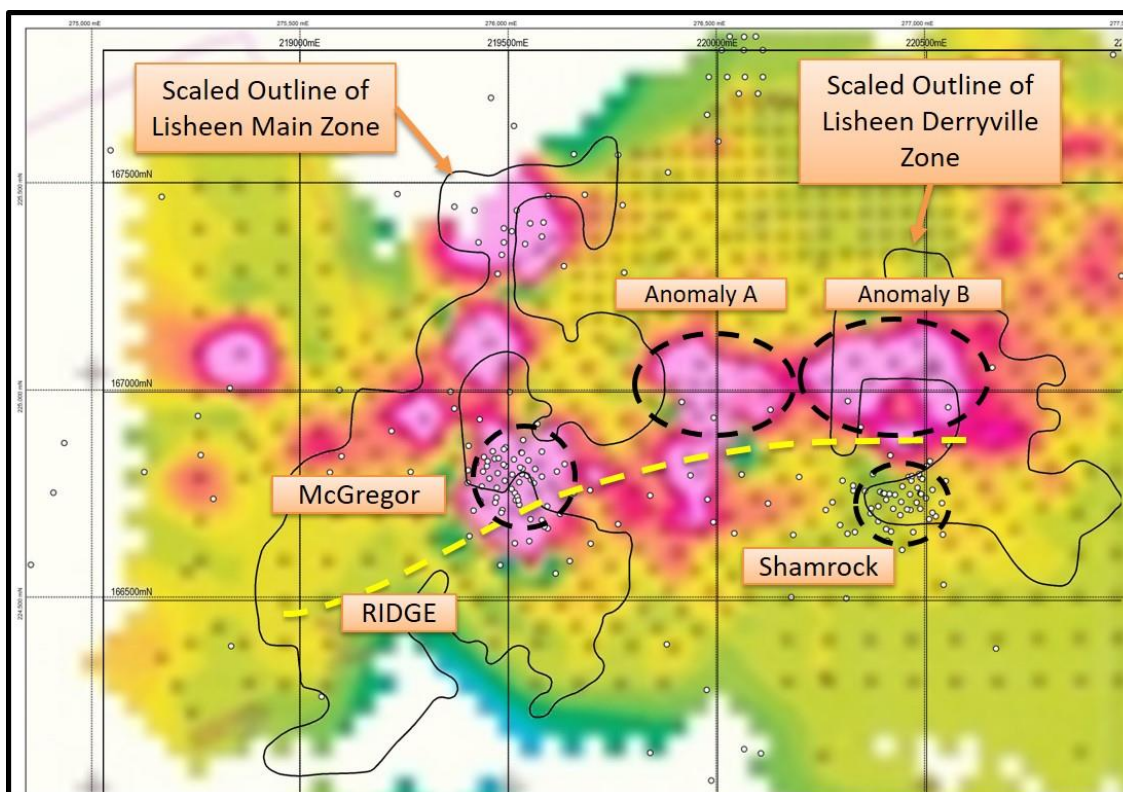


Figure 4: Deep overburden anomalies (A and B) to be drilled in the upcoming program.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Patrick Corr', written in a cursive style.

Patrick Corr

Non-Executive Chairman
Zinc of Ireland NL

Investor Inquiries:

Peter van der Borgh

Zinc of Ireland NL

Tel: +44 7881 027 036

Email: peter@zincofireland.com

Media Inquiries:

Nicholas Read

Read Corporate

Tel: +61-8 9388 1474

Email: nicholas@readcorporate.com.au

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. 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.

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