

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Zinc of Ireland NL

ABN

23 124 140 889

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 Class A, 1,250,000 Class B, 1,500,000 Class C, 1,500,000 Class D and 2,600,000 Class E |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Refer to Annexure 2 attached to this announcement which describes the principal terms and conditions of the Performance Rights Plan. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. Performance Rights are not quoted securities and do not rank equally with ordinary shares or any other class of quoted securities.</p> <p>However, shares issued upon achievement of Performance Conditions will rank equally in all respects from the date of issue with existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>The Eligible Participants were not required to pay for the grant of the Performance Rights and for each Performance Right that vests, the Eligible Participants will be entitled to receive one share in the Company without payment.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Performance Rights were granted to Eligible Participants under the ZMI Performance Rights Plan 2017 which was approved at the General Meeting held on 19 May 2017.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>25 November 2016</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>-</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	-								
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-								
6f	Number of securities issued under an exception in rule 7.2	2,000,000 Class A Performance Rights 1,250,000 Class B Performance Rights 1,500,000 Class C Performance Rights 1,500,000 Class D Performance Rights 2,600,000 Class E Performance Rights								
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	-								
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements.	-								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 137,119,879 7.1A 91,413,253 (Refer to Annexure 1)								
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	26 May 2017								
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td>914,132,532</td> <td>Fully paid ordinary Shares</td> </tr> <tr> <td>1,159,035</td> <td>Partly paid ordinary Shares</td> </tr> <tr> <td>330,833,333</td> <td>Options exercisable at \$0.02 each and expiring 21 July 2017</td> </tr> </tbody> </table>	Number	+Class	914,132,532	Fully paid ordinary Shares	1,159,035	Partly paid ordinary Shares	330,833,333	Options exercisable at \$0.02 each and expiring 21 July 2017
Number	+Class									
914,132,532	Fully paid ordinary Shares									
1,159,035	Partly paid ordinary Shares									
330,833,333	Options exercisable at \$0.02 each and expiring 21 July 2017									

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	129,800,000	Unlisted options exercisable at \$0.02 each and expiring on 30 April 2020
		326,333,333	Unlisted options exercisable at \$0.04 each and expiring 21 July 2021
		7,000,000	Unlisted options exercisable at \$0.06 each and expiring 30 September 2016
		2,000,000	Class A Performance Rights expiring 26 May 2021
		1,250,000	Class B Performance Rights expiring 26 May 2021
		1,500,000	Class C Performance Rights expiring 26 May 2021
		1,500,000	Class D Performance Rights expiring 26 May 2021
		2,600,000	Class E Performance Rights expiring 26 May 2021
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

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- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Company secretary)

Date: 26 May 2017

Print name: Keith Bowker

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	269,011,173 (adjusted to post consolidation)
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>275,000,000 shares issued for the consideration of Zinc Mines of Ireland Limited</p> <p>62,500,000 shares issued pursuant to a Placement</p> <p>10,000,000 shares issued to advisors</p> <p>108,375,000 shares issued pursuant to a Placement</p> <p>9,454,688 shares issued following conversion of converting loans</p> <p>110,125,000 shares issued pursuant to a Placement</p> <p>60,416,665 shares issued pursuant to a Placement</p> <p>9,250,000 issued to corporate advisors</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	914,132,526

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	137,119,879
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	137,119,879
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.15] – “C”	137,119,879 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	914,132,526
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	91,413,253
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	91,413,253
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	91,413,253 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



ANNEXURE 2 TO APPENDIX 3B

Zinc of Ireland NL (ZMI or the Company)

Principal terms of the ZMI Performance Rights Plan 2017 (Plan)

Eligible Participants: The eligible participants under the Plan are full time employees and part-time employees of the Company and its subsidiaries (including Directors) (“**Eligible Employees**”) and contractors engaged by the Company and its subsidiaries who are determined by the Board to be eligible participants for the purposes of the Plan (“**Eligible Contractors**”) (each a **Eligible Participant**). In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Performance Rights.

Individual Limits: The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

Consideration Payable: Performance Rights will be issued for no consideration and no amount will be payable upon exercise thereof.

Offer and Performance Conditions: The Performance Rights issued under the Plan to Eligible Participants may be subject to performance conditions, determined by the Board from time to time and expressed in a written offer letter (“**Offer**”) made by the Company to the Eligible Participant which is subject to acceptance by the Eligible Participant within a specified period. The performance conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the Eligible Participant and/or by the Company (iii) a vesting period following satisfaction of performance conditions before the Performance Rights vest, or (iv) such other performance conditions as the Board may determine and set out in the Offer. The Board in its absolute discretion determines whether performance conditions have been met.

Expiry Date and Lapse: Performance Rights may have an expiry date as the Board may determine in its absolute discretion and specify in the Offer. The Board is not permitted to extend an expiry date without shareholder approval.

If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Rights will lapse. A Performance Right will also lapse if the Board determines the participant ceases to be an Eligible Participant for the purposes of the Plan for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

Retirement, Disability, Redundancy, Death or removal as a Director: Under the Plan, upon the retirement, total and permanent disability, bona fide redundancy, death of a participant or in the case of persons holding managerial or executive office who are participants, removal from that office, those Performance Rights which have not satisfied the performance condition but have not lapsed, will lapse.

Forfeiture: If a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company, the Board will have the discretion to deem any Performance Rights to have lapsed and deem any Performance Rights that have become Shares to be forfeited.

Assignment: Without prior approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

Takeover Bid or Change of Control: If a Change of Control occurs, the Board may, in its absolute discretion, permit the exercise of all or a specified number of Eligible Participant's unvested Incentives, having first given reasonable consideration to the status and likelihood of the attainment (or otherwise) of the relevant performance conditions.

Alteration in Share Capital: Appropriate adjustments will be made to the number of Performance Rights in accordance with the Listing Rules in the event of a reconstruction of the share capital of the Company, such as a share consolidation, share split or other reduction of capital.

Pro Rata Issue of Securities: If Shares are offered pro rata for subscription to the Company's Shareholders by way of a rights issue during the currency of and prior to exercise of any Performance Rights, there will be no adjustment to the exercise price of the Performance Rights.

Bonus Issue: If Shares are issued pro rata to the Company's Shareholders by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Performance Rights to which each holder is entitled will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such action.

Participation in other Opportunities: There are no participation rights or entitlements inherent in the Performance Rights.

Termination, Suspension or Amendment: The Board may terminate, suspend or amend the Plan at any time subject to any resolution of the Company required by the Listing Rules.

ASIC class order and case by case relief: Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in any class order relief, exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.

The Performance Rights will be issued to the Directors on the following performance conditions and expiry dates:

Class	Performance Condition	Expiry Date
Class A Performance Rights	JORC Resource 1: the Company delineating a global Inferred Resource, which is determined in accordance with the provisions of the JORC Code, containing at least 2.5 million tonnes of zinc & lead at an average grade of not less than 8% zinc & lead (combined) ("Class A Performance Condition")	4 years after issue
Class B Performance Rights	JORC Resource 2: the Company delineating a global Inferred Resource, which is determined in accordance with the provisions of the JORC Code, containing at least 12.5 million tonnes of zinc & lead at an average grade of not less than 8% zinc & lead (combined) ("Class B Performance Condition")	4 years after issue
Class C Performance Rights	Market Capitalisation - \$50M: The market capitalisation of the Company reaching at least \$50 million on an undiluted basis determined by reference to the preceding 20 day VWAP ("Class C Performance Condition")	4 years after issue
Class D Performance Rights	Market Capitalisation - \$75M: The market capitalisation of the Company reaching at least \$75 million on an undiluted basis determined by reference to the preceding 20 day VWAP ("Class D Performance Condition")	4 years after issue
Class E Performance Rights	Market Capitalisation - \$100M: The market capitalisation of the Company reaching at least \$100 million on an undiluted basis determined by reference to the preceding 20 day VWAP ("Class E Performance Condition")	4 years after issue