

Second Drill Rig Underway at Kildare

Drilling ramps up to follow-up high grade intercepts at Celtic Tiger discovery

Further to its announcement of 11 August, European base metals explorer Zinc of Ireland NL (ASX: ZMI – “ZMI” or “the Company”) is pleased to advise that a second drilling rig has now commenced operations at its 100%-owned **Kildare Zinc Project** in Ireland.

The Phase 3 program, which commenced last month with drilling targeting extensions of the McGregor prospect, will now ramp up to include the newly discovered **Celtic Tiger** prospect (Figures 1 and 2), where ZMI recently announced the discovery of fault-related high-grade zinc mineralisation, including **2.85m @ 20.2% Zn + 0.88% Pb from 193.90m**.

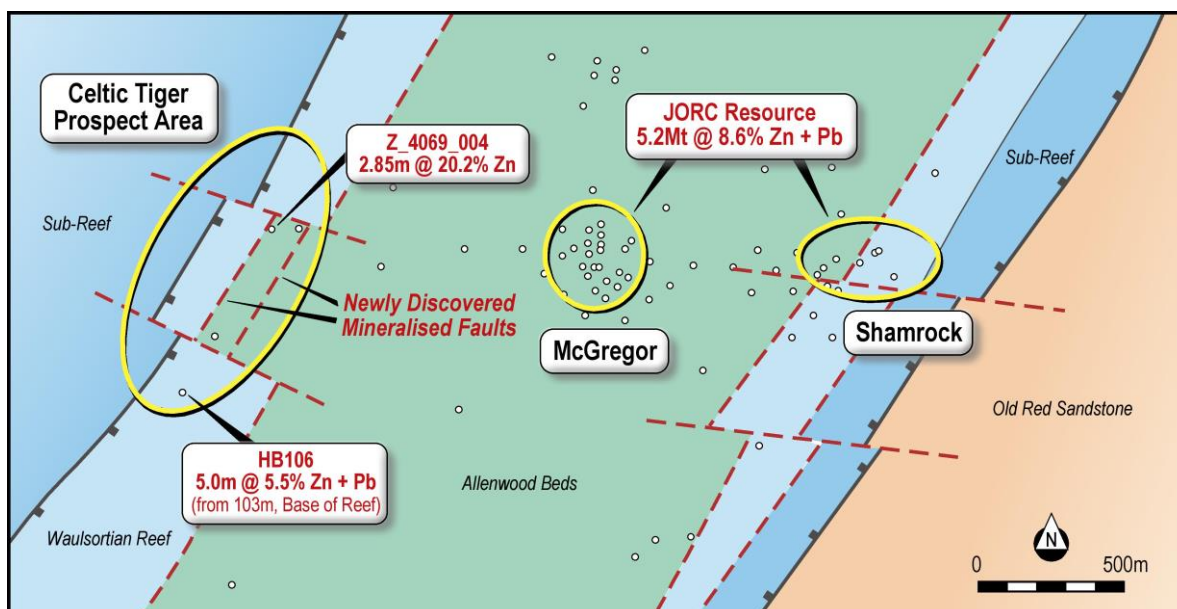


Figure 1: Geological plan showing the location of Z_4069_004 and the structural setting of the Celtic Tiger prospect on the western margin of the Allenwood Graben (N.B. Drill holes shown are deeper than 200m).

Celtic Tiger is situated ~1km west of the **McGregor Prospect**, where the first hole of the program, Z_4069_006, is currently in progress targeting extensions to the JORC Inferred Resource. The Company anticipates sending samples from the first hole at McGregor for assaying once the hole has been completed (which is expected to occur in the coming days) and the core cut and prepared for assaying.

The *Celtic Tiger* prospect was targeted following ZMI’s reinterpretation of the structural framework of the Kildare district and the recognition of the Allenwood Graben. The model implies that there is a fault network running along the western margin of the Allenwood Beds and the Waulsortian Reef in this area (Figure 1), making it a highly favourable setting for structurally controlled zinc mineralisation.

This was confirmed by Z_4069_004, which intersected a series of fault rocks and breccias in the Reef and Sub-Reef stratigraphy, some of which are mineralised and contain high grades (including 2.85m @ 20.2% Zn + 0.88% Pb from 193.90m).

The upcoming drilling is designed to test Base of Reef and Sub-Reef targets, and the potential that mineralisation is stepping up to shallower levels towards the west away from McGregor (Figure 2).

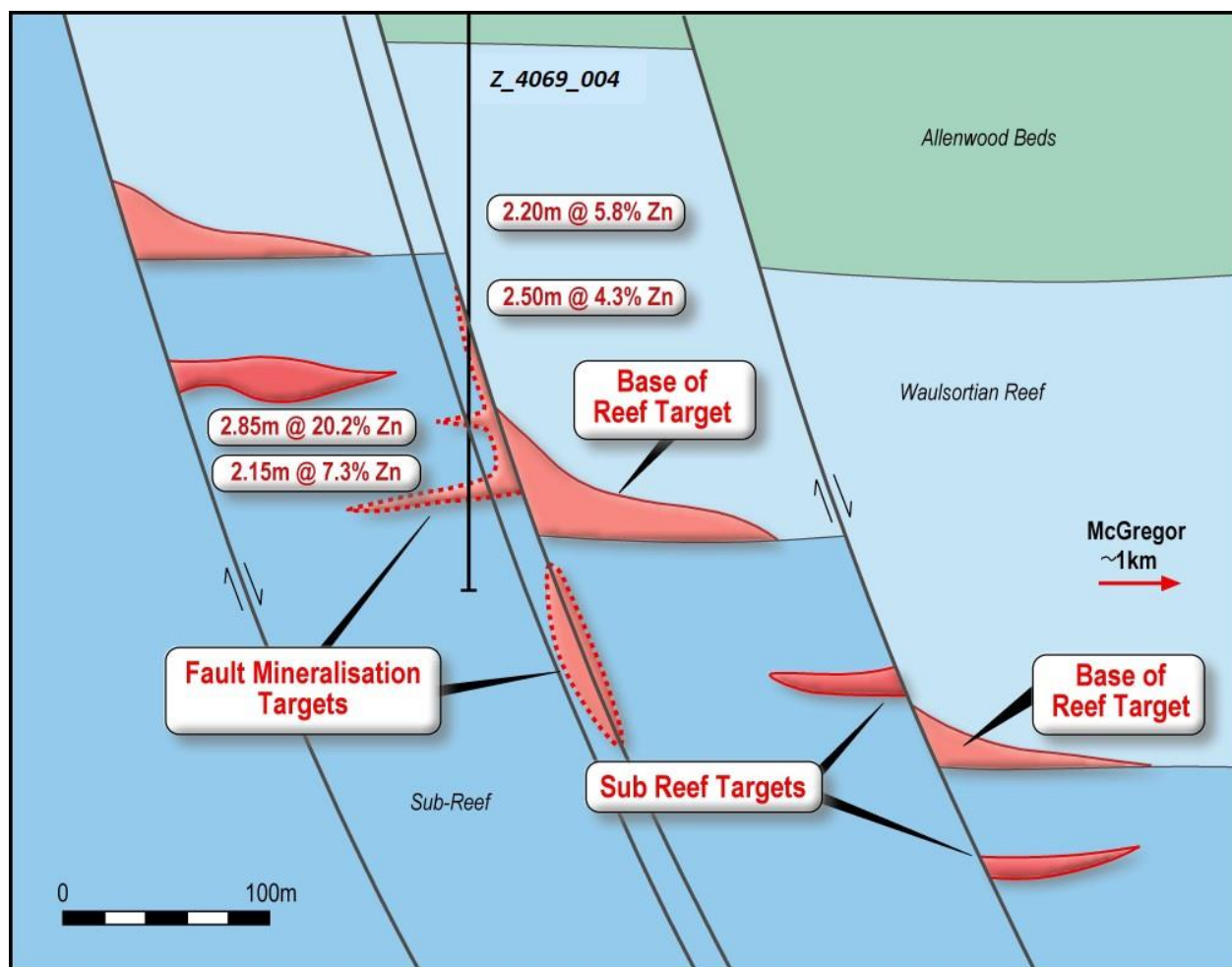
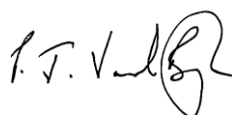


Figure 2: Schematic cross-section through the Celtic Tiger prospect highlighting a range of target types that ZMI believes could have developed in this structural setting.

Yours faithfully,



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Competent Person Statement

The information in this document that relates to exploration results is based on information compiled by Mr Peter van der Borgh BSc (Hons, 1st Class), a Competent Person who is a Fellow of the Geological Society of London. Mr van der Borgh is a director and shareholder of Zinc of Ireland NL. Mr van der Borgh 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 van der Borgh 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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