ASX Announcement

16 October 2017

Kildare: New Thick High-Grade Zinc Intercept at McGregor Confirms Potential to Expand Resource

Continuity of Base of Reef Mineralisation confirmed; drilling continuing at Celtic Tiger

Key Points:

- **Assay results received for diamond hole Z_4069_008 in ongoing Phase 3 program, confirming a thick, high-grade intercept of zinc mineralisation at the McGregor prospect:**
    - ***13.15m @ 10.3% Zn+Pb (True thickness 11.19m):***
- **New results extend the Base of Reef mineralisation at McGregor.**
- **Drilling has confirmed the potential to upgrade the current JORC Resource: *5.2Mt @ 8.6% combined Zn+Pb*.**
- **Two rigs continuing at the Celtic Tiger discovery, with further McGregor holes being planned to target additional upside.**

European base metals explorer Zinc of Ireland NL (ASX: ZMI – "ZMI" or "the Company") is pleased to report that diamond drill hole Z_4069_008, completed as part of the ongoing Phase 3 program at its 100%-owned **Kildare MVT Zinc Project** in Ireland (Figure 1), has returned an outstanding thick, high-grade zinc intercept.

The result comprises a calculated true thickness of ***11.19m @ 10.3% Zn+Pb (9.71% Zn + 0.58% Pb) from 418.68m.***

The intercept is located ~30m from the nearest drill hole, and in the same target area as hole Z_4069_003 (Target A, Figures 2 & 3), which intersected a true width of ***23.25m @ 13.5% Zn+Pb***.

The continuity of thick, high-grade mineralisation between these two holes, and adjacent to historical drill holes, is expected to have a positive impact on the tonnes and grade of the ZMI's recently published maiden JORC Inferred Resource of ***5.2Mt @ 8.6% Zn+Pb***.

The Phase 3 diamond program at Kildare continues with the two rigs currently operating at the recently discovered Celtic Tiger prospect (Figure 1), where recent drilling has indicated the presence of shallower mineralisation stepping up away from the McGregor prospect towards the edge of the Allenwood Graben.

ZMI is planning to drill Target B at McGregor (Figure 2) in the coming weeks.

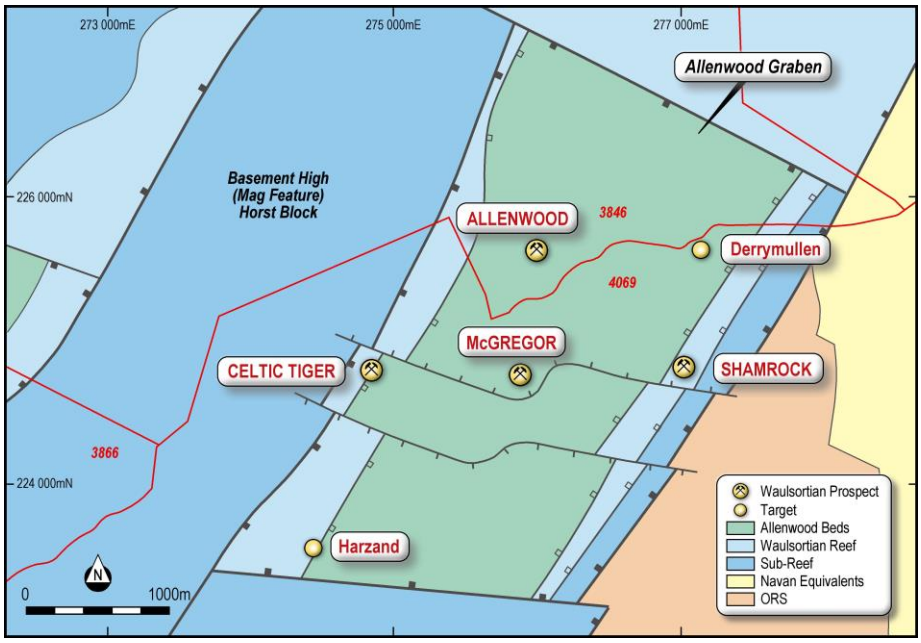


Figure 1: Allenwood Graben and key prospect locations including McGregor and Celtic Tiger, which are the focus of the current Phase 3 drilling program.

McGregor Drilling Update

The Phase 3 drilling program is a multi-pronged strategy at the Company's Kildare Zinc Project in Ireland, designed to expand the McGregor Resource, and identify potential new areas for resource growth within the shadow of the headframe (Figure 1).

ZMI has identified two previously untested target areas adjacent to the known mineralisation at McGregor (Figure 2) that are considered favourable for expansion of the base of reef mineralisation.

Assay results have been received for Z_4069_008, which was designed to test the continuation of base-of reef mineralisation in Target Area A (Fig 2). The thick, high-grade intercept comprises a true thickness of ***11.15m grading 10.3% combined zinc and lead***, and confirms that massive sulphide mineralisation along the base of reef horizon extends for more than 100m along strike across the target area. It is predicted that this result, combined with the spectacular result in Z_4069_003 (***23.3m@13.5% Zn+Pb***, Figures 2&3) will have a positive impact on the Kildare Inferred JORC Resource of ***5.2Mt@8.6% Zn+Pb***.

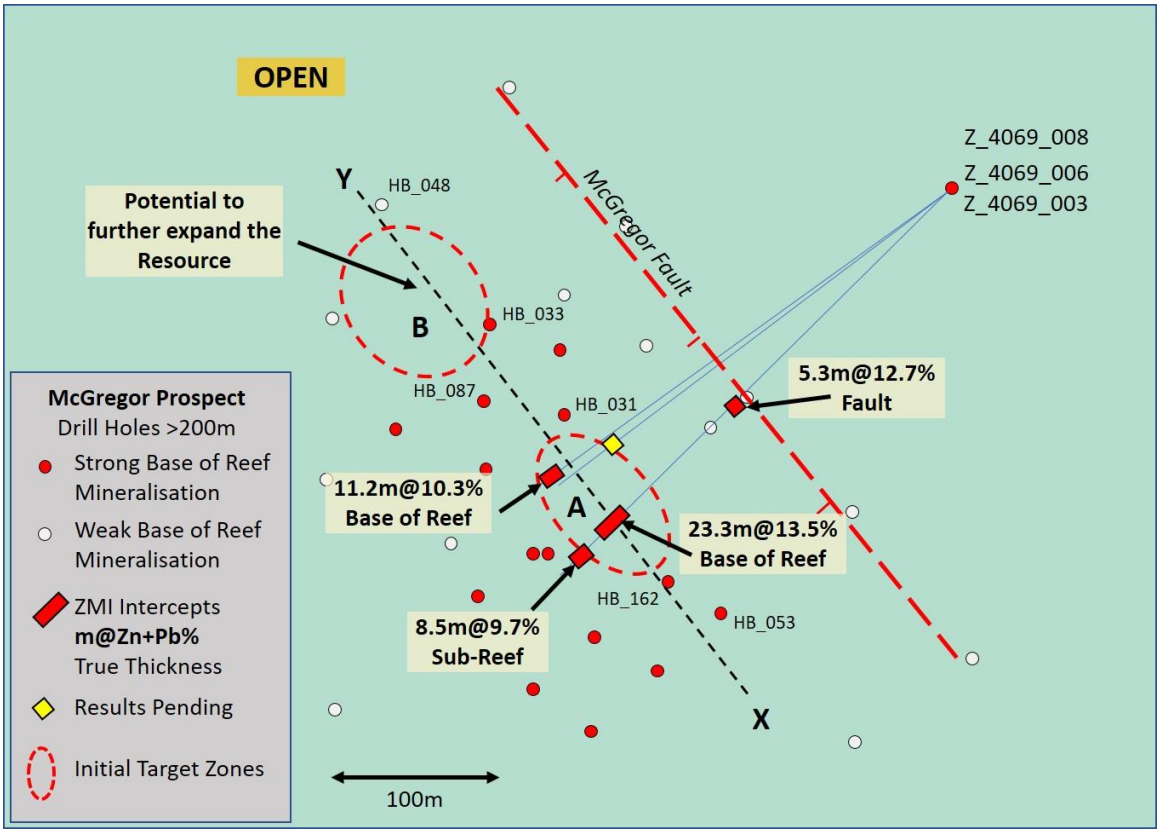


Figure 2: Collar Plan, McGregor Prospect, highlighting ZMI's thick, high-grade intercepts that extend the Base of Reef Mineralisation and confirm its continuity within Target zone A. Note the trace of the X-Y long-section and targets shown in Figure 3.

Table 1: Z_4069_008 Collar and Survey details (Irish Grid).						
Hole ID	**Easting**	**Northing**	**RL**	**Dip**	**Azimuth**	**Total Depth**
Z_4069_008	276,253	224,938	78m	-53°	233°	575.1m

Table 2: Z_4069_008: Base of Reef Mineralisation, calculated true depths and thicknesses.					
Depth From (m)	**Depth to (m)**	**Thickness (m)**	**Zn%**	**Pb%**	**Zn+Pb%**
418.68	429.87	11.19	9.71	0.58	10.29

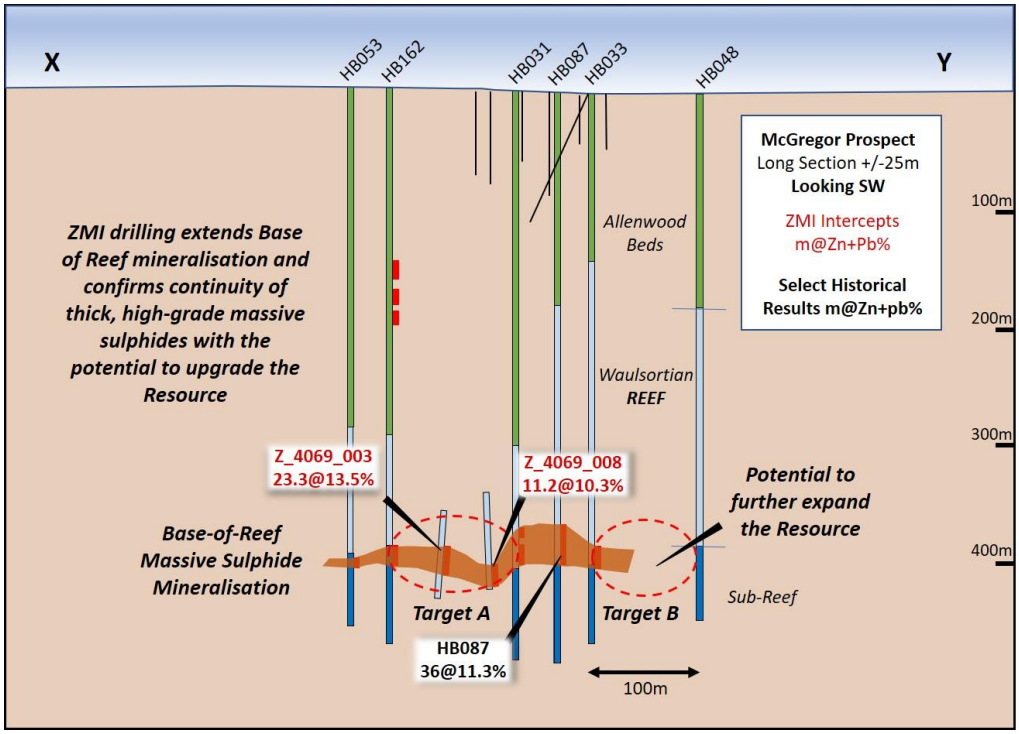


Figure 3: Long-Section highlighting high-grade Base-of-Reef intercepts (true widths) in holes Z_4069_003 and 008, which have successfully demonstrated continuity of mineralisation in target area A. Looking SE, section swathe +/- 25m.

Drill-hole Z_4069_008 has also confirmed the presence of the mineralised McGregor Fault, which the Company believes played a significant role in the formation of the McGregor mineralisation. Similar faults are observed in many of the great structurally controlled Irish Zinc deposits such as Lisheen.

Figure 4: Colloform and brecciated massive sulphides comprising sphalerite (tan), marcasite (greenish), and galena (metallic grey) from the Base of Reef intercept in Z_4069_008.

Management Comment

"Today's results further bolster the thick, high-grade Base of Reef horizon at McGregor, clearly demonstrating the substantial upside at the Kildare Project," said ZMI's Managing Director, Peter van der Borgh.

"This hole was part of a successful program designed to extend mineralisation in Target Zone A at McGregor, and these impressive results have confirmed the potential to expand the Resource in this area. We're now planning to drill into Target Zone B, where we see similar scope.

"We've also confirmed the presence of the McGregor Fault, which we interpret to run roughly parallel to the mineralisation. The Fault is also mineralized, indicating it was active while the mineralizing fluids were flowing, and implies that the deposit is structurally controlled akin to many of the great Irish zinc deposits.

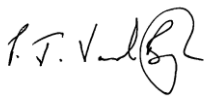
"In light of these developments, I now question whether the three holes that were historically deemed to have closed the McGregor mineralisation to the north are indeed doing that. We're currently working on this concept and how we might best test it, and I hope to be able to report a new exploration model for McGregor in the coming weeks.

"Meanwhile, we have two rigs operating at the Celtic Tiger prospect following the discovery of several zones of high-grade mineralisation where the target geology is stepping up to shallower levels. The drilling is telling us that the Tiger has many of the right ingredients, and a base-of-reef discovery at these target depths would be a highly significant development for the Company.

"The overwhelming interest in our recent capital raising has not only delivered sufficient funds to advance our exploration objectives, but also confirmed that we are exploring an exciting project for a prized commodity in a valued jurisdiction. With zinc prices currently at multi-year highs, this is a great time to be exploring and developing a potentially significant new zinc project in the heart of Europe."

The Phase 3 drilling program at Kildare continues with two rigs, and ZMI looks forward to providing additional updates to shareholders as results are received.

Yours faithfully,



Peter van der Borgh
Managing Director
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 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.

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 INFORMTION
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	• *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 30g 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.*	• 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	• *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).*	• 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 orientated topside using a Reflex ACT tool.
Drill sample recovery	• *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*	• 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.

Criteria	JORC Code explanation	Commentary
	preferential loss/gain of fine/coarse material.	
Logging	• *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.*	• 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	• *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.*	• 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	• *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.*	• 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.
Verification of sampling and assaying	• *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)*	• 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.

Criteria	JORC Code explanation	Commentary
	protocols. • *Discuss any adjustment to assay data.*	• Visual mineralisation has been verified by several company representatives.
Location of data points	• *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.*	• Initial surveys are by hand-held GPS in Irish Grid 65. • Collars have been surveyed either by handheld GPS or by a differential GPS: Trimble GPS6000 (RTK GPS accurate to 5mm) • Downhole surveys are by Relfex EZ-TRAC and are displayed in Appendix 2. • Location of the collar and downhole information is considered appropriate for this stage of exploration.
Data spacing and distribution	• *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.*	• Drill collars are not at a standard data spacing but are placed to intersect maximum metal grades (see plan view maps 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. • The results from hole Z_4069_008 are expected to be used in additional to historic data to support a mineral resource estimate but this is as yet to be confirmed.
Orientation of data in relation to geological structure	• *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.*	• True vertical thicknesses have been quoted so as to alleviate any undue bias (thickening) of drilling results. • Where true vertical thicknesses have not been quoted (such as in drill logs) this has been clearly noted. • True vertical thickness has been calculated using the drillhole surveys aforementioned. • Minor rounding due to the true thickness calculation may have occurred but this is not expected to be material. • Mineralisation appears to be horizontal/sub-horizontal.
Sample security	• *The measures taken to ensure sample security.*	• Samples were under the custody of company representatives in-country until delivery to the lab.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.*	• 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	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration is outlined in GXN Announcement dated 17th March 2016 and associated annexes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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	• *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:*
	  ○ *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.*
		• Z_4069_008: 276,253mE, 224,938mN, 78mAOD, -53° dip, 233° azimuth, total depth 575.1m, true and downhole intercepts are included in tables 1 & 2 in the main body of text.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.*	• 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	• *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').*	• 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	• *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.*	• Plans and sections appear throughout this release.
Balanced reporting	• *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.*	• All drill holes with assays received have been reported in Appendix 1. • Reported intervals are those which are of the highest grade and/or greatest width.
Other substantive exploration data	• *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*	• N/A

Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• *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.*	• As summarised at the end of the announcement.

APPENDIX 1: Reported Assay Results

Hole_ID	Sample No.	From_m	To_m	Interval_m	Ag_ppm	Zn_%	Pb_%
Z_4069_008	50422	496	497	1	<1	0.01	0.07
Z_4069_008	50423	497	497.7	0.7	1	1.14	0.14
Z_4069_008	50424	497.7	497.9	0.2	<1	0.04	0.13
Z_4069_008	50425	497.9	498.8	0.9	5	17.9	0.4
Z_4069_008	50426	498.8	499.15	0.35	<1	1.09	0.07
Z_4069_008	50427	499.15	499.85	0.7	2	7.33	0.41
Z_4069_008	50428	499.85	500.6	0.75	5	21.8	0.82
Z_4069_008	50430	500.6	501.6	1	<1	0.09	0.01
Z_4069_008	50431	501.6	502.3	0.7	<1	0.33	0.02
Z_4069_008	50432	502.3	503.1	0.8	7	30	2.41
Z_4069_008	50434	503.1	503.55	0.45	4	11.25	1.1
Z_4069_008	50435	503.55	504.35	0.8	4	10.75	0.64
Z_4069_008	50436	504.35	505.1	0.75	<1	3.08	0.12
Z_4069_008	50437	505.1	506.35	1.25	4	12.45	0.92
Z_4069_008	50438	506.35	506.75	0.4	<1	0.04	0.01

Hole_ID	Sample No.	From_m	To_m	Interval_m	Ag_ppm	Zn_%	Pb_%
Z_4069_008	50439	506.75	507.9	1.15	4	11.15	0.58
Z_4069_008	50440	507.9	509.15	1.25	<1	1.15	0.09
Z_4069_008	50441	509.15	509.8	0.65	5	20.4	1.03
Z_4069_008	50442	509.8	511.05	1.25	4	5.09	0.55
Z_4069_008	50444	511.05	512.1	1.05	4	3.38	0.45
Z_4069_008	50445	512.1	512.9	0.8	3	1.45	0.37
Z_4069_008	50446	512.9	513.75	0.85	2	2.27	0.49
Z_4069_008	50447	513.75	514.8	1.05	1	1.78	0.5
Z_4069_008	50448	514.8	515.8	1	<1	0.01	0.01

Note: All depths are downhole