

16 May 2018

ASX Announcement



APPOINTMENT OF RICHARD MONTI AS CHAIRMAN \$2.55 MILLION CAPITAL RAISE FOR NEW DRILLING CAMPAIGN

HIGHLIGHTS

- **Richard Monti joins ZMI as Non-Executive Chairman**
- **Two tranche placement of \$2.05 million at \$0.005 per share**
- **Additional placement of \$500,000 to Directors & related parties**
- **Fully funded for 7,500m drilling program at the Kildare Project to start in June**

Zinc of Ireland NL (ASX: ZMI) (**ZMI** or **Company**) is pleased to announce that respected mining executive, Mr Richard Monti, has been appointed as Non-Executive Chairman of the Company.

Mr Monti said about his appointment: *"I am very excited about the future of ZMI both as Chairman and as a Shareholder. The Kildare project has delivered outstanding, high-grade results in three consecutive drilling campaigns, and the prospect of what may be in the upcoming drilling program and beyond is very exciting. Particularly, given that we are starting with a substantial JORC resource, and the similarities the Kildare mineralisation is showing to well-known Irish-Type zinc projects and in a jurisdiction where you can build projects"*

Outgoing Chairman, Patrick Corr, said about Mr Monti's appointment: *"Securing Richard as Chairman is a major achievement for ZMI. ZMI has already established a substantial maiden JORC resource, significant regional exploration upside, and the Kildare project is beginning to show many of the hallmarks of renowned Irish-Type zinc projects."*

"Richard's vast technical and commercial experience will be of huge value to ZMI as we take the Kildare project forward. Based in Perth, Richard will be also well placed to communicate ZMI's vision to the Australian investment community."

RICHARD MONTI

Richard Monti is a geologist with a successful career of over 30 years in the international mineral resource industry resulting in broad industry knowledge and strong strategic planning capabilities. He has first-hand working knowledge of all aspects of the industry from project generation, exploration, resource, feasibility, construction, operations, finance, marketing and divestment. Richard has worked in diverse countries with exposure to most commodities including base metals, nickel, iron ore, coal, industrial minerals, potash, gold.

Richard has over 30 director-years' experience on twelve ASX and TSX listed mining and exploration companies from micro-caps through to mid-size miners and has built and managed teams of up to 70 personnel.

Richard was Principal of corporate advisory firm, Ventnor Capital, from 2005 to 2010 and is currently principal of Terracognita which supplies advice to resource industry companies. He has proven experience and understanding of equity capital markets, debt funding and has strong relationships with broking and banking houses in Australia and Canada.

Richard is currently on the board of one ASX listed company and one TSX listed company, and resides in Perth, Australia.

As part of an incentive package, Mr Monti will be issued (subject to shareholder approval being obtained) 15 million unlisted options exercisable at 1.5 cents, and 15 million unlisted options exercisable at 2 cents, in each case expiring in three years. He will also participate in the placement to the extent of \$100,000.

Patrick Corr has stepped down as Chairman and will remain on the board as a Non-Executive Director. Keith Bowker has resigned as a director.

PLACEMENT

The Company is undertaking a heavily oversubscribed private placement (**Placement**) to sophisticated and institutional investors having received commitments to raise approximately \$2.05 million at an issue price of \$0.005 (**Placement Shares**).

Each Placement Share will be issued with the subsequent issue of an attaching listed ZMIOC option on a 1:1 basis (**Attaching Options**).

The Placement will take place in two tranches, with 350,000,000 Placement Shares to be issued under the Company's existing capacities under ASX Listing Rules 7.1 and 7.1A in the following proportions (**First Tranche**), with settlement of the First Tranche expected to be on or about 23 May 2018:

| | | |
|--------------------|-------------|---|
| Listing Rule 7.1: | 210,000,000 | |
| Listing Rule 7.1A: | 140,000,000 | [note: the issue price of these shares complies with Listing Rule 7.1A.3] |

60,000,000 Placement Shares and Attaching Options will be issued following Shareholder approval being obtained at a Shareholder meeting to be held in July (**Tranche 2**).

In addition to the Placement, \$500,000 is being raised from Directors and other related parties on the same terms as the Placement (**Related Party Placement**) as follows:

Thomas Corr - \$200,000 (40 million shares & Attaching Options); Patrick Corr - \$50,000 (10 million shares & Attaching Options); Richard Monti - \$100,000 (20 million shares & Attaching Options); John Corr - \$150,000 (30 million shares & Attaching Options)

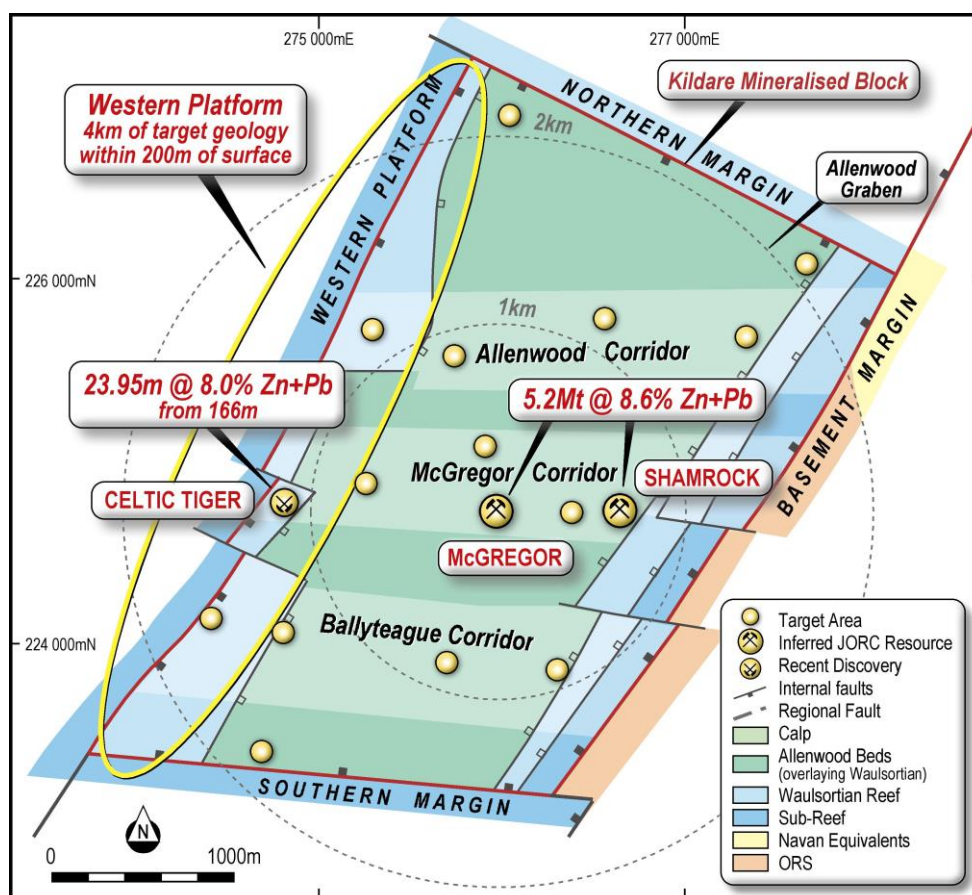
In connection with the Placement, certain brokers and corporate advisors will be issued 50 million unlisted options exercisable at 1.5 cents and expiring in two years.

All of the Related Party Placement, Placement Options, broker options, incentive options to Mr Monti, and the Tranche 2 Placement securities will be issued following Shareholder approval being obtained at a meeting in July.

Use of Funds / Kildare Drilling Program

Proceeds of the Placement will be used to fund the Company's 7,500m drilling program in the Kildare Mineralised Block. The program is planned to commence in early June and multiple rigs will be utilised.

Drilling will target the Base of Reef geology which hosts several Irish Type zinc deposits including Lisheen and Galmoy, as well as the Kildare mineralisation at McGregor, Shamrock and Celtic Tiger. The key aims of the program are to test new "String of Pearl" targets within ~2km of the McGregor deposit, which is located at the centre of the Kildare Mineralised Block. Other target areas include the 4km long shallower "Western Platform", the setting for ZMI's 2017 Celtic Tiger discovery, and extensions to the existing JORC Resources at McGregor and Shamrock.



The Kildare Mineralised Block (Allenwood Graben), highlighting existing prospects and 2018 targets.

About the Kildare Project:

The Kildare Project is located in the Republic of Ireland, approximately 40km south-west of the capital of Dublin. Ireland is the world's richest zinc real estate in tonnes of zinc per km², and is the home of several large, high grade zinc mines including Navan, Lisheen, Galmoy and Tynagh. As zinc supply continues to fall worldwide, ZMI are seeking to establish a significant zinc project at Kildare by utilising the following key advantages:

- Maiden Inferred JORC resource of 5.2Mt @8.6% Zn+Pb
- Significant regional exploration upside
- Similarities to other renowned Irish-Type zinc projects becoming visible
- Mining friendly jurisdiction with stable government
- Excellent infrastructure (including port and rail)

Yours faithfully,



Patrick Corr
Non-Executive Director
Zinc of Ireland NL

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Competent Person Statements

The information in this report that relates to exploration results is based on information compiled by Mr Peter van der Borgh, 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 presentation of the matters based on his information in the form and context in which it appears.

The information in this document that relates to mineral resource estimates is based on information compiled by Mr Phil Jones BAppSc (App Geol), MAIG, MAusIMM, a Competent Person who is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of Al Maynard & Associates: Geological (AM&A) and does not hold any interest in Zinc of Ireland NL. AM&A invoiced ZMI and ZMI are

expected to pay a fee for the preparation of the mineral resource estimate report. This fee comprises a normal, commercial daily rate plus expenses and the payment is not contingent on the results of the report. Mr Jones 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 Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to mineral resource estimates is extracted from the ASX announcement entitled “High-Grade Zn-Pb Inferred Resource Estimate at Kildare” released on 1 June 2017 and is available to view on www.zincofireland.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which Competent Person’s findings are presented here have not been materially modified from the original market announcement.

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.*