

18 May 2018

ASX Announcement



NON-CORE ASSET UPDATE LEONORA GOLD PROJECT

Zinc of Ireland NL (**ZMI** or **Company**) provides the following update in respect of its non-core Leonora Gold Project (comprised of M37/1202 and E37/893) (**Project**) as it relates to the Terms Sheet between ZMI and Roman Kings Pty Ltd (**Roman Kings**) as originally announced on 21 November 2016 (**Original Agreement**).

ZMI has entered into an agreement varying the Original Agreement (via its wholly owned subsidiary, Messina Resources Limited) (**Variation Agreement**) with Roman Kings and Kingwest Resources Limited (**Kingwest**).

The Variation Agreement has the effect that ZMI will transfer 75% of its current 100% interest in the Project to Roman Kings which will be acquired by Kingwest (**Transaction**), subject to (amongst certain standard conditions):

- a) Kingwest being listed on ASX by no later than 31 August 2018; and
- b) necessary regulatory approvals being obtained.

The 75% interest the subject of the Transaction is the aggregate of the Stage 1 and Stage 2 Interests as referred to in the original announcement of 21 November 2016.

Under the Original Agreement, Roman Kings was required to be listed on ASX by 21 May 2018 in order to be entitled to retain any interest in the Project. As such, the Variation Agreement grants an extension of time for Roman Kings to be listed on ASX via the listing of Kingwest on ASX. In order for Kingwest to be listed on ASX, it will be required to raise in the order of \$5 million.

Upon settlement of the Transaction, ZMI will receive \$490,000 cash in consideration of the aggregate of the 75% interest. At settlement, ZMI will also receive 1 million shares in Kingwest (Kingwest IPO price is 20 cents per share) in consideration of ZMI's existing shares in Roman Kings issued as part of the Original Agreement. ZMI will also retain the right to receive a payment of \$5 per ounce in a mineral resource grading above 1g/t of gold established in the future.

The Kingswest shares to be issued to ZMI may be subject to ASX imposed escrow, and upon payment of the consideration to ZMI, a joint venture will be formed between ZMI and Roman Kings on the basis of 25:75 respectively, and whereby the parties will either contribute to the development of the Project in proportion to its interest or be diluted.

Roman Kings have been the operator of the Project, sole funded exploration activities and informs us that it has updated the status of the Project since the date of the Original Agreement. The Transaction is consistent with ZMI's strategy of focusing on its flagship Kildare Irish Zinc Project, whilst maximising value from non-core interests.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Patrick Corr', with a long horizontal flourish extending to the right.

Patrick Corr
Non-Executive Director
Zinc of Ireland NL

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.*