

29 January 2019

ASX Announcement



DUNDEE CORPORATION BECOMES CORNERSTONE SHAREHOLDER OF ZINC OF IRELAND

HIGHLIGHTS:

- Placement of A\$2.4 million to Dundee Resources Limited
- Dundee becomes ZMI's cornerstone shareholder with 19.9% shareholding
- Issue price of \$0.005 represents a 25% premium to the latest market price of ZMI's shares
- Adrian Goldstone appointed as Non-Executive Director
- Placement positions ZMI with cash of A\$4.6 million to apply towards exploration at the Kildare Project and other regional prospects, as well as progressing resource and technical studies

Zinc of Ireland NL (ASX: ZMI) (**ZMI** or **Company**) announces that it has successfully completed a Placement to Dundee Resources Limited, a subsidiary of Canadian based Dundee Corporation (TSX:DC.A) (**Dundee**), raising A\$2.425 million (before costs) at an issue price of \$0.005 per share (representing a 25% premium to the latest market price of ZMI's shares).

Immediately following completion of the Placement, ZMI will have cash of approximately A\$4.6 million, thereby positioning ZMI to accelerate its exploration programs at the Kildare project and regionally. Ongoing studies in relation to ZMI's resources and other technical and development studies will also be accelerated.

ZMI Executive Director, Patrick Corr said:

"We are delighted to welcome Dundee into ZMI as our cornerstone investor. Dundee's investment represents a strong endorsement of our Kildare zinc project and our team."

"We also welcome the in-house knowledge and expertise that the Dundee Goodman Merchant Partners (DGMP) team bring to the table. DGMP is a division of Goodman & Company, Investment Counsel Inc. (GCIC), a wholly-owned subsidiary of Dundee. DGMP finances and provides M&A advice to mining companies through all phases of their development cycle. The DGMP team has a respected corporate finance team with deep technical backgrounds in engineering and geology. With a strong history of development and mining in Europe, the support and know-how of the DGMP team is exactly what we need as we pursue ZMI's vision of advancing the Kildare project."

"Cash at bank following the Placement is approximately A\$4.6 million and we are fully funded to accelerate exploration and development studies centred around the Kildare project. Naturally, the emphasis will be on adding high-grade resources concurrently with better understanding the potential economics of the project."

The introduction of Dundee as a cornerstone investor further strengthens ZMI's share registry with ZMI's top two holders, in addition to board and related parties, now holding in excess of 40% of ZMI's shares.

In connection with the placement, respected mining executive, Mr Adrian Goldstone has been appointed as a Non-Executive Director of ZMI.

Mr Goldstone holds an M.Sc (Hons) from the University of Auckland, and has in excess of 35 years' experience in project related technical and environmental disciplines in senior project and corporate management roles. He specialises in the incorporation of the principles of sustainability into business and the integration of project governance models through organisations to provide for best practice project management.

Adrian has been involved in, or overseen, minerals projects becoming reality all over the world. In his most recent operating role he was the executive responsible for Dundee Precious Metals major projects in Europe and Africa including oversight of large capital project management, sustainable business development, environment and CSR management, permitting and compliance, key relationship management at central and local government, and operational health and safety. Adrian's achievements, mainly in respect of DPM's European and African projects, make him uniquely successful in the areas of environmental, social licence and project management and taking new projects through the development process and into construction.

Adrian will bring direct experience of permitting and project management in the European Union to ZMI's Kildare project.

As a finder's fee, GCIC will be paid a cash fee of 6% of the funds raised and approximately 30 million broker options exercisable for \$0.01 within 2 years of issue. The broker options will be issued subject to shareholder approval being obtained.

New Shares issued to Dundee rank equally with existing fully paid ordinary shares with 291,854,282 issued under Listing Rule 7.1 and 193,145,718 issued under Listing Rule 7.1A. An Appendix 3B and cleansing notice have been announced separately.

About Dundee Corporation:

Dundee Corporation is a public Canadian independent holding company, listed on the Toronto Stock Exchange under the symbol "DC.A". Through its operating subsidiaries, Dundee Corporation is engaged in diverse business activities in the areas of investment advisory, corporate finance, energy, resources, agriculture, real estate and infrastructure. Dundee Corporation also holds, directly and indirectly, a portfolio of investments mostly in these key areas, as well as other select investments in both publicly listed and private enterprises.

Other Corporate Matters:

The Company will also undertake a consolidation of capital on the basis of 20 for 1. The Company believes the consolidation will provide the best platform for continued growth, a capital structure that is more in line with the Company's size and a share price level that is more attractive to institutional investors, particularly those based in North America given the exposure the Company is likely to receive there. Shareholder approval will be sought at a meeting to be held as soon as practicable and additional information relating to the consolidation of capital will be included in the notice of meeting.

Other Project-Related Matters:

ZMI has also agreed to acquire certain data and mining information pertaining to its prospecting licences in Mayo and Roscommon from technical service providers previously involved with the area covered by those prospecting licences. In consideration of receiving the data, subject to all requisite shareholder and regulatory approvals being obtained, the sellers of the data shall be entitled to the following consideration (on a pre-consolidation basis):

- a) 5 million unlisted options exercisable for \$0.015 on or before 30 December 2021 to be issued upon a drill result of no less than 20 Metre Percent copper or Copper Equivalent on the licences ("**First Drill Result**").
- b) 5 million unlisted options exercisable for \$0.015 on or before 30 December 2021 to be issued upon a second drill result no less than 100 horizontal metres from the First Drill Result, which includes an intersection of 2% copper or Copper Equivalent no less than 20 metres down hole length.
- c) 5 million unlisted options exercisable for \$0.02 on or before 30 December 2021 to be issued upon a JORC Code compliant Inferred Mineral Resource of no less than 5 million tonnes at a grade of no less than 3% copper or 3% Copper Equivalent.
- d) 5 million unlisted options exercisable for \$0.02 on or before 30 December 2021 to be issued upon a JORC Code compliant Indicated Mineral Resource of no less than 5 million tonnes at a grade of no less than 3% copper or 3% Copper Equivalent.
- e) 5 million fully paid ordinary shares to be issued upon a JORC Code compliant Inferred Mineral Resource of no less than 10 million tonnes at a grade of no less than 3% copper or 3% Copper Equivalent.
- f) 5 million fully paid ordinary shares to be issued upon a JORC Code compliant Indicated Mineral Resource of no less than 10 million tonnes at a grade of no less than 3% copper or 3% Copper Equivalent.

For the purpose of the above, "**Copper Equivalent**" means the combined value of all economic metals in an intersection equated to their monetary value in \$US per tonne on the date that final assay results are received; and "**Metre Percent**" means the cumulative percentage content of a metal over a measured length expressed as the metal percentage of each sample multiplied by its length in metres summed over the entire intersection that is being considered.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Patrick Corr', written in a cursive style.

Patrick Corr
Executive Director
Zinc of Ireland NL

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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.*