Zinc Co Australia Limited
ABN 96 119 397 938

ASX ANNOUNCEMENT

DRILLING IN PROGRESS AT CARDINALS

- **Diamond drilling commenced testing highly ranked EM conductor at Cardinals base metals project.**

The Directors of Zinc Co Australia ("Zinc Co") are pleased to report that drilling has commenced at the Cardinals project, testing a well defined geophysical target for volcanic hosted massive sulphide ("VHMS") style base metals mineralisation. The Cardinals project is a joint venture between Zinc Co as manager (earning up to 75%) and Giralia Resources NL ("Giralia"). Giralia retains nickel rights.

Cardinals is located 150 kilometres south of Port Hedland in Western Australia's Pilbara region and covers potential strike extensions to the host rocks of CBH Resources Ltd's Panorama-Sulphur Springs VHMS base metals project (Sulphur Springs published resource of 15.5 million tonnes @ 3.5% Zn, 1.3% Cu) which is located 35 kilometres to the north east.

Shallow 1970's percussion drilling at Cardinals returned an intersection of 10 metres @ 5.9% Zn, 0.94% Cu, 36 g/t Ag (including 2 metres @ 13.2% Zn) just south of a prominent gossan. In 2008, Zinc Co completed 15 shallow RC drill holes at Cardinals to test for a near surface resource. Drilling intersections included 5m @ 3.9% Zn, 0.3% Pb, 0.6% Cu, 37 g/t Ag, extending the mineralised system up to 300 metres grid south of the gossan and 175 metres grid south of previous drilling.

In the December 2008 quarter the Cardinals prospect was surveyed with a modern moving loop EM system which greatly improved data quality of EM data and allowed modelling of the significant depth extent to the system. The new data confirmed that a strong conductor with an east and a west zone is consistently associated with mineralisation for 500 metres of strike south west of the gossan. The western conductor is modelled with three plates and extends to 230 metres below surface. The eastern conductor is modelled as a single plate extending to 650 metres below surface.

Drilling to date has only tested the top of the western conductor and no drilling has intersected the eastern conductor. There is a good correspondence between sulphide drill intersections and the position of the modelled conductors, and the eastern conductor extends well below all previous drilling.

Zinc Co has commenced a diamond drilling programme to test the conductors defined by the 2008 EM survey for massive sulphides. An initial 400 metre deep hole is in progress to intersect the western and eastern conductors at 140 metres and 220 metres below surface respectively.

Level 3, 33 Ord Street, West Perth, Western Australia 6005
PO Box 1426, West Perth, Western Australia 6872
Tel: (+61-8) 9226 1110 Fax: (+61-8) 9321 0070

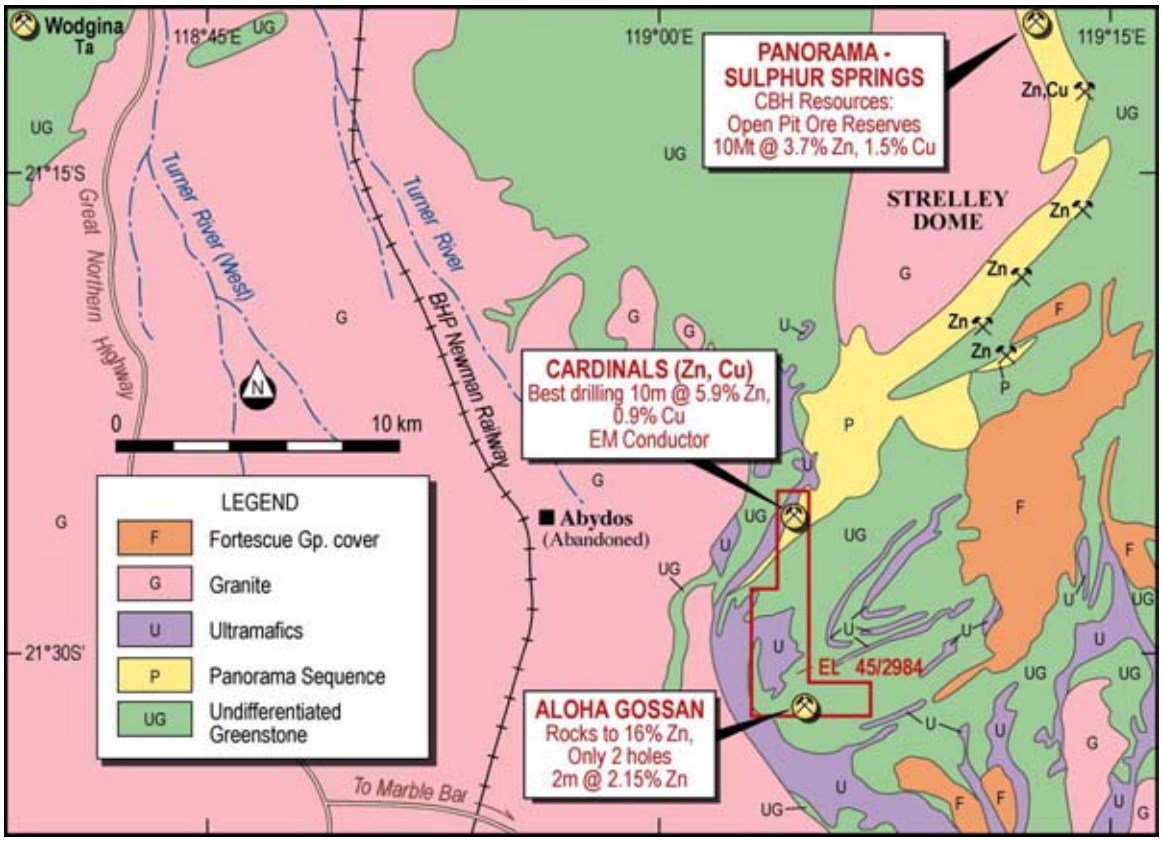

Fig 1. location plan Cardinals prospect

G Comb
Chairman

Perth
6 July 2009

About Zinc Co

Zinc Co is a Perth based company focused on increasing shareholder value by the identification, exploration and development of zinc deposits, principally in Australia.

Zinc Co listed on the Australian Securities Exchange (ASX) in May 2007 (ASX Code **ZNC**) with five projects in Western Australia. All of the projects have significant drill intercepts of zinc mineralisation at relatively shallow depth.

The management and board of Zinc Co have extensive experience in exploration and development of base metal deposits.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by A M Hespe, who is a Member of the Australasian Institute of Geoscientists. Mr Hespe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hespe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

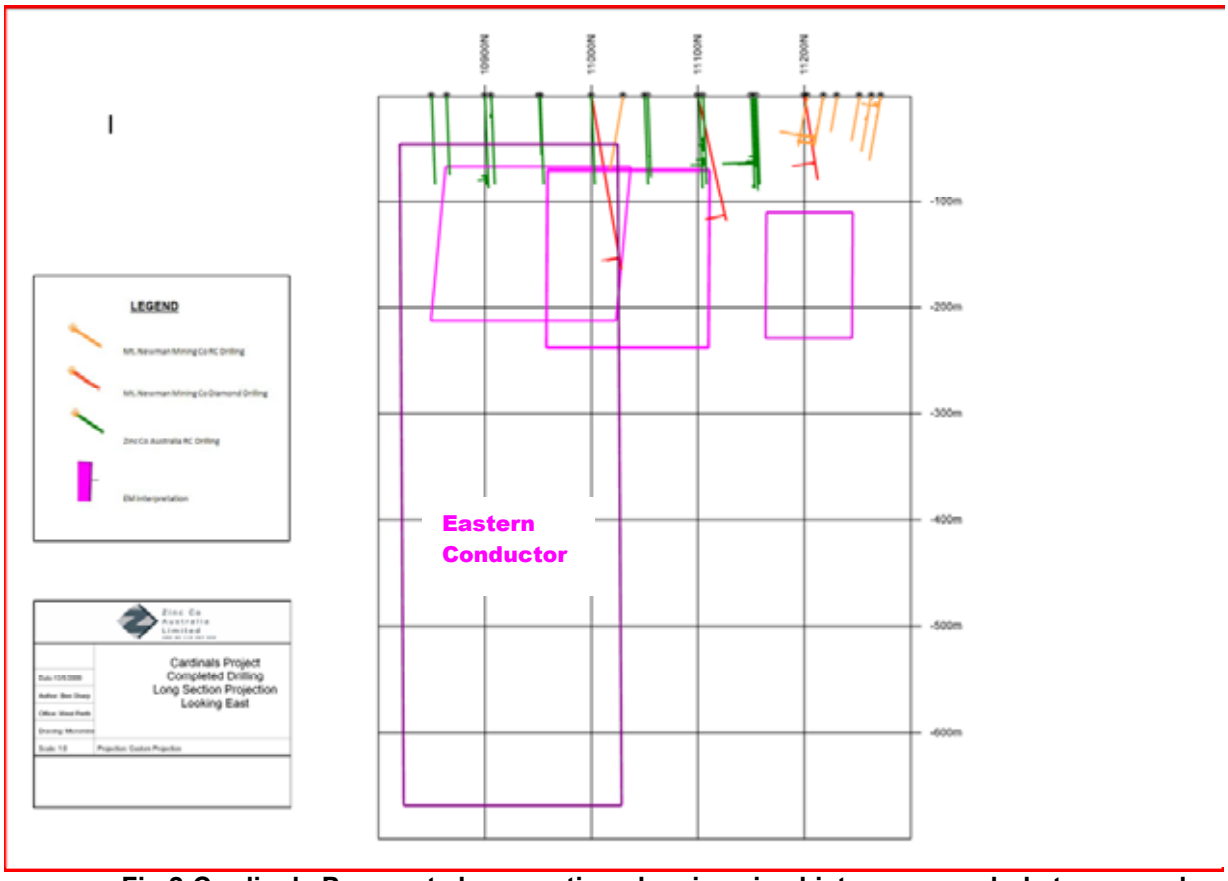

Fig 2;Cardinals Prospect –long section showing zinc histograms on hole traces and interpreted conductors

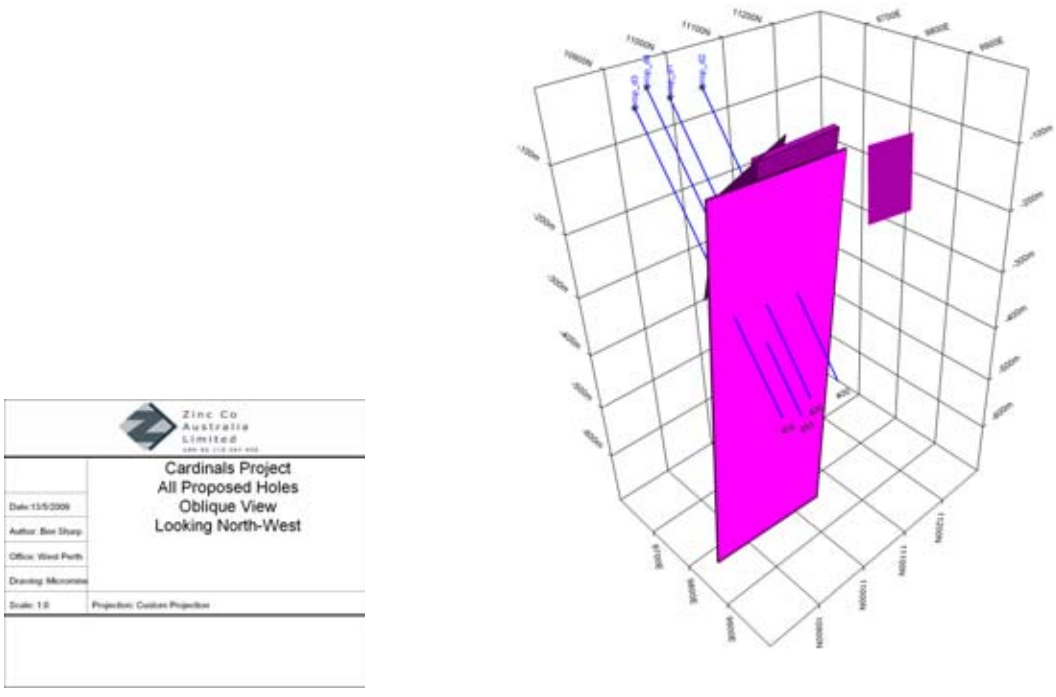

Fig 3; Proposed drillholes showing modelled conductors. Holes prop_d2 to d4 are contingent on success in hole prop_d1 (in progress)