



Zinc Co
Australia
Limited

ABN 96 119 397 938

ASX ANNOUNCEMENT

Drilling underway at Mount Alexander iron ore project

- **Diamond drilling has commenced at Zinc Co's 100% owned Mount Alexander magnetite iron ore project.**
- **Two 500 metre drill holes are initially planned. Follow up resource definition holes have also been permitted.**
- **Work to date, including geological mapping and 580 surface samples, has defined potential for a major magnetite iron ore deposit in a Banded Iron Formation 9.8 kilometres long with outcrop widths up to 560 metres.**

Zinc Co Australia Limited is pleased to announce that diamond drilling at the Mount Alexander magnetite iron ore project has commenced. This drilling was foreshadowed in an announcement to the ASX on 15 December 2009.

Two 500 metre diamond drill holes are planned to determine the width, grade continuity, and metallurgical performance of the mineralization. The programme is scheduled to take three weeks to complete.

The design of the holes is based on recently completed detailed geological mapping, aeromagnetic data and the extensive rock chip sampling reported previously. The holes will be collared at the base of the steep north west face of the BIF magnetite unit and drilled southeast at a shallow angle to traverse the full width of the mineralization, which is estimated to be up to 560 metres at surface. The holes are 530 metres apart along strike.

Permitting has been completed for an additional six holes to allow for follow up resource definition drilling.



The Mount Alexander Project

On the 28 October 2009 Zinc Co announced discovery of a 9.8 km long zone of banded iron formation (BIF) with widths up to 560 metres and reported 265 analyses of BIF rocks. A detailed aeromagnetic survey flown in 2007 clearly outlines the BIF (figure 1).

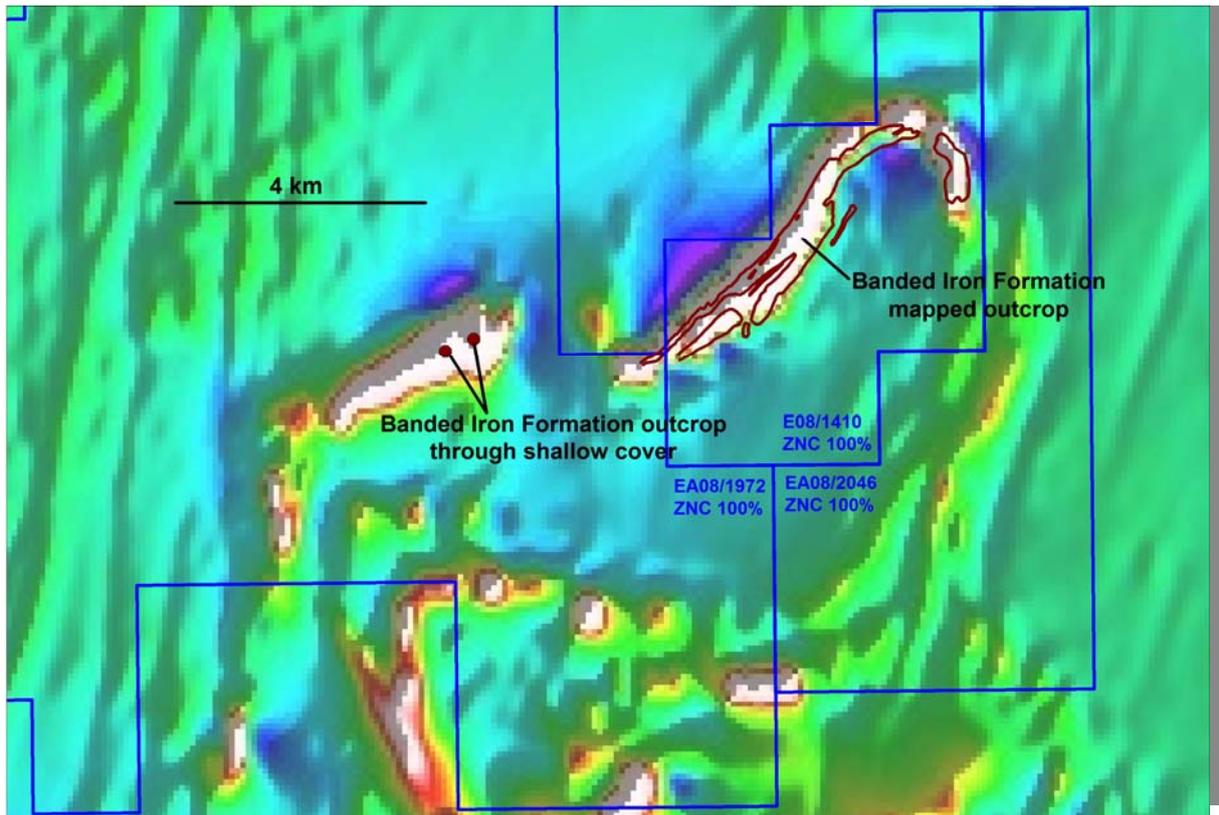


Figure 1 - Mount Alexander regional TMI aeromagnetics

On 13 November 2009 the Company announced encouraging metallurgical results from partially oxidized surface samples. DTR tests returned concentrate grades to 69.8% Fe, 2.6% SiO₂, 0.03% Al₂O₃, 0.01% P, and 28.2% mass recovery.

A further 324 rock chip results were reported on 19 November. A total of 580 rock chips have now been assayed..

Average values for the samples are included in the following table:

Fe_%	SiO ₂ _%	Al ₂ O ₃ _%	P_%	S_%
34.0	48.0	0.6	0.1	0.0
Average assay values for 580 surface rock chip samples				



The sampling shows consistent iron grade and low penalty element content in partially oxidised surface samples over the 6.5 kilometre strike of the outcropping segment of the BIF package.

The project is near the port of Onslow, 260 kilometres south west of Karratha and well located with respect to infrastructure. The North West Coastal Highway is 10 kilometres west of the project and the Dampier Bunbury gas pipeline passes to the west of the highway (figure 2).

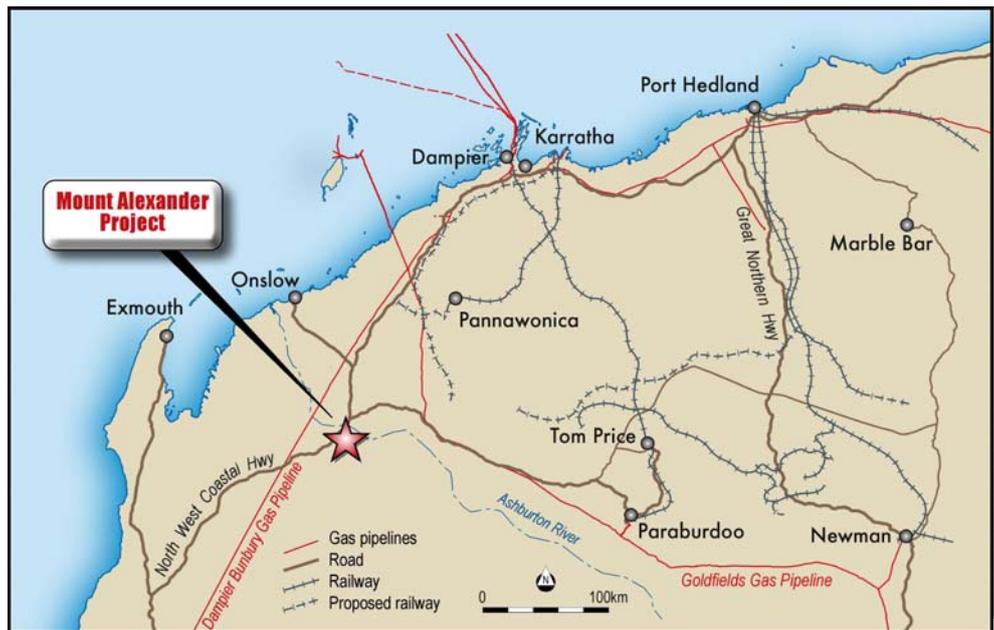


Figure 2 - Project Location and proximity to coast and regional infrastructure

The project consists of three exploration licenses. E08/1410 was recently purchased outright and is in the process of being transferred to 100% Zinc Co ownership (see ASX release 14 Oct 2009). E08/1972 and E08/2046 are applications, also owned 100% by Zinc Co.

The Mount Alexander BIF is associated with a sequence of amphibolite, dolomite, schist and quartzite of Proterozoic age in the northern Gascoyne Province. These rocks have been folded into a regional scale north east trending anticline and metamorphosed to upper greenschist and amphibolite grade. The core of the anticline is intruded by the Mortgage monzonite stock which is related to tungsten and lead zinc mineralization in the area.

G. Comb
Chairman

13 January, 2010
Perth, WA



About Zinc Co

Zinc Co is a Perth based company focused on increasing shareholder value by the identification, exploration and development of zinc and other metal 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 information in this report that relates to Exploration Results and Mineral Resources 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 appear.