

Plomosas Plant Refurbishment

Progress on time on budget

- **Plomosas Plant refurbishment progressing well and in line with schedule.**
 - **Primary ball mill sourced and delivered to site**
 - **Crushing circuit dry testing completed**
 - **Flotation cells selected and purchase being finalised**
 - **Stage 1 Tailings dam construction due to commence**
- **Refurbishment on schedule to be completed in early 2021 and in line with budget.**

Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to advise that refurbishment of the wholly owned on-site plant which commenced in October, following receipt of the permit for a tailings storage facility, has progressed well and is on track to be completed in early 2021.

The plant refurbishment commenced in October and will be built to initially process 100 tonnes per day (tpd) of ore with an expansion to 200tpd planned for late 2021.

The procurement, delivery and installation of the ball mill, crushing circuit and additional flotation cells are the key elements to the refurbishment of the process plant at the Plomosas mine site to enable onsite processing of ore. This will enhance production and supervision capabilities, as well as reducing costs.

Ball Mill

A primary ball mill capable of processing up to 200tpd was acquired and delivered to the Plomosas mine site on 7 December, 2020 where it will be positioned and bolted to the concrete foundations over the next week.

The gearbox, lubrication system, motor will be installed, and the safety screens will be placed. The electrical wiring includes a soft start panel and emergency stop switching. The mill will be run dry before the 20 tonnes of mill balls are loaded and a full hazard analysis of the mill will be undertaken prior to wet commission of the mill.



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Crushing Circuit

The electrical wiring for the crushing circuit was completed and successfully dry run, testing the motors and equipment condition. A few minor repairs, replacements and modifications are required, but the crushing circuit is substantially ready for plant feed testing.

Flotation Cells

The Company has identified suitable flotation cells and is negotiating the purchase of these cells for delivery to Plomosas from the United States of America.

Tailings Dam

The tailings dam will be built in two stages with the initial stage accommodation 18 months of plant tailings. The second stage will see the small valley of 2.5Ha lined with HDPE for a total of 8 years storage capacity. The design complies with Mexican standards and international standards for tailings dam design.

Work remaining

The remaining works include the completion of the electrical wiring installations for the float circuit and thickeners, installation of 5 feed pumps, cyclones, reagent mixing and dosing system, tailings pump and the tailings dam. The progress is satisfactory with milestones being met for the mill and crushing circuits.

Once commissioned the plant will be optimised for the increasing amount of high-grade zinc-lead blended ore being mined at Plomosas and processed initially at a planned throughput rate of 4500 t/month. The high-grade semi-oxide mineralisation (SOX) may continue to be toll treated at the nearby Aldama plant.

This announcement has been authorised for release by the CZL Board

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ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 100% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico. Chihuahua State has a strong mining sector with other large base and precious metal projects in operation within the state. Historical mining at Plomosas between 1945 and 1974 extracted over 2 million tonnes of ore grading 22% Zn+Pb and over 80g/t Ag. Only small-scale mining continued to the present day and the mineralised zones remain open at depth and along strike.

The company has commenced mining at Plomosas and is committed to exploit the potential of the high-grade Zinc, Lead and Silver Mineral Resource through the identification, exploration and exploitation of new zones of mineralisation within and adjacent to the known mineralisation with a view to identify new mineral resources that are exploitable.

Caution Regarding Forward Looking Statements and Forward-Looking Information:

This report contains forward looking statements and forward-looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of zinc and lead, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining,

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processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.

Except as required by law or regulation (including the ASX Listing Rules), Consolidated Zinc undertakes no obligation to provide any additional or updated information whether as a result of new information, future events, or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Production Targets:

Production targets referred to in this report are underpinned by estimated Mineral Resources which have been prepared by competent persons in accordance with the requirements of the JORC Code. The production targets in this report are sourced from both Indicated and Inferred Mineral Resources and it should be noted that there is a low geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target will be realised.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.