

16 April 2021

PLOMOSAS PLANT FIRST CONCENTRATE PRODUCED

Key Information:

- Plomosas plant successfully commences production of zinc and lead concentrates.
- Tailings dam construction complete and operational.
- The process plant refurbishment was completed within budget.
- Production of concentrate now occurring at Plomosas and the third party Aldama plants.
- Processing at both plants for faster realisation of the material value held in stockpiles.

Consolidated Zinc Limited ("**Company**") (ASX:CZL) is pleased to advise production of zinc and lead concentrates commenced at the newly refurbished Plomosas plant, on 12 April 2021.

Brad Marwood, Managing Director of CZL advised *"The establishment of our own processing facility has been a long time coming. I believe this is the final step to the Plomosas mine producing high quality concentrates, consistently and cost effectively. With commissioning of the wholly owned processing plant, we now have full control over both the mining and processing functions for the first time. I am very pleased with the outstanding efforts of all CZL personnel who worked to make this opportunity a reality. During the next six months we will focus on maximising returns in what appears to be a stronger cycle for zinc and lead while metal demands are seeing concentrate treatment charges return to historically average levels, some 47% less than the prior year."*

The Company completed an equity raising in October 2020 to fund the refurbishment of the Plomosas concentrator including the purchase of a ball mill with capacity of up to 300 tonnes per day (tpd). The refurbishment has been designed to initially operate at 100 tpd. There is capacity to upgrade the process to 200 tpd by the end of the year.

The project was completed within the projected cost of US\$1.36M, including the purchase of more float cells that will facilitate increased recovery or increased throughput.

The refurbishment of the Plomosas plant was completed in 5 months, 6 weeks behind our internal target completion date due to the impacts of a severe second wave of COVID-19 and extreme winter weather conditions across Texas and Chihuahua states which cut power supply, closed roads and placed limitations on activities.

The Plomosas Tailings Dam was one of the first designs approved under the new Mexican laws, following tailings dam failures in Mexico and Brazil that prompted the local regulators to rework their legislative framework for storage facilities. The Plomosas tailings dam is fully lined with under drainage system and suitable systems for water reclaim. The tailings dam has been designed to be built in two stages, the completed stage one is sufficient for 18 months operations. Stage two storage has been designed to store 700,000 tonnes (9 years).

The Aldama plant has continued to produce concentrates from the Plomosas mine ore and is planned to continue processing in addition to the Plomosas plant, until the run-of-mine inventory levels are normalised.



Plomosas Plant before refurbishment



Mill foundations being finalised January 2021



Arrival of last 6 float cells mid-February 2021



Two 1MW gensets installed 20 March 2021



23 March 2021 Mill installed



Tailings dam earthworks commenced November 2020



Tailings dam 60% complete middle of March 2021



Tailings dam completed April 2021



Plomosas Plant complete

This announcement was authorised for issue to the ASX by the Directors of the Company.

For further information please contact:

Brad Marwood
Managing Director
08 9322 3406

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 100% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State. 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 started mining at Plomosas in 2018 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 at our Plomosas based processing facility.

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, 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.