

Consolidated Zinc Limited
ACN 118 554 359

Prospectus

For the offers by the Company of:

- 95,000,000 New Options with an exercise price of \$0.04 and expiry date of 31 December 2024 to the Placement Investors (**Placement Offer**); and
- 5,000,000 New Options with an exercise price of \$0.04 and expiry date of 31 December 2024 to the Service Provider (**Service Provider Offer**).

Important: This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.

Contents

Important Information	1
Key Numbers and Dates	2
1 Offer Details	3
2 Offer Effects	7
3 Risk Factors	9
4 Additional Information	17
Definitions	27
Corporate Directory	29

Important Information

General

This Prospectus is issued by Consolidated Zinc Limited (ACN 118 554 359) (**Company**).

The Prospectus is dated 3 January 2023, and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC or ASX take responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus is a transaction-specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

Persons wishing to apply for New Options pursuant to the Offers must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for New Options, investors should carefully read this Prospectus.

Any investment in the Company should be considered highly speculative. Investors who are in any doubt or have any questions about this document should promptly consult their stockbroker, accountant or other professional adviser before deciding to apply for New Options under the Offers.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Company.

Prospectus availability

A copy of this Prospectus can be downloaded from the Company's website at www.consolidatedzinc.com.au.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company at info@consolidatedzinc.com.au or on +61 8 6400 6222.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including at www.asx.com.au). The contents of any website, or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company or its securities.

Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the offering of New Options in any jurisdiction outside Australia.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and tax issues). See section 3 for further information.

Financial amounts

In this Prospectus, references to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency, and references to "USD" or "\$US" are references to United States currency. Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in the Definitions section of this Prospectus. All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Key Numbers and Dates

Key Number	Amount
Offers¹	
New Options offered under the Placement Offer	95,000,000
New Options offered under the Service Provider Offer	5,000,000

Notes:

1 See section 1.1 for further details of the Offers.

Key Event	Date
Prospectus lodged with ASIC and ASX	3 January 2023
Opening Date (8:00am (AWST))	4 January 2023
Closing Date (5:00pm (AWST))	5 January 2023
Issue of New Options to the Placement Investors under the Placement Offer	6 January 2023
Issue of New Options to the Service Provider under the Service Provider Offer	6 January 2023
New Options quoted on ASX	6 January 2023

Notes:

1 The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date of the Offers or accepting late acceptances, either generally or in particular cases, without notice.

2 Quotation of the New Options is subject to ASX approval, and the Company meeting the conditions for quotation of the New Options. The fact that quotation of the New Options may be granted by ASX is not taken in any way as an indication of the merits of the Company or the New Options offered under the Offers.

1 Offer Details

1.1 Overview

1.1.1 Background

On 23 September 2022, the Company announced a conditional placement of 95,000,000 Shares at an issue price of \$0.022 per Share, together with 1 free attaching New Option for every Share subscribed, to raise up to \$2,090,000 (before costs) (**Placement**). The Company determined to issue the 95,000,000 Shares (together with the 95,000,000 free attaching New Options) as follows:

- 75,563,637 Shares to the Unrelated Investors on 30 September 2022; and
- 19,436,363 Shares to the Related Party Investors (being the Copulos Group, Bradley Marwood and Anthony Italiano) subject to obtaining Shareholder approval.

On 30 September 2022, the Company issued 75,563,637 Shares to the Unrelated Investors under the Placement. The Company has not yet issued the 19,436,363 Shares to the Related Party Investors, or the 95,000,000 New Options under the Placement generally.

The Company has also agreed to issue 5,000,000 New Options to the Service Provider (or its nominees) for various ongoing broking, financial and other professional services provided to the Company, however it is yet to issue these New Options either.

Having obtained Shareholder approval at its General Meeting on 9 December 2022, the Company intends to:

- complete the Placement by issuing:
 - 95,000,000 New Options to the Placement Investors under this Prospectus (comprising the **Placement Offer**); and
 - 19,436,363 Shares to the Related Party Investors; and
- issue 5,000,000 New Options to the Service Provider under this Prospectus (comprising the **Service Provider Offer**).

1.1.2 Structure

Under the Placement Offer, the Company is offering 95,000,000 New Options at an issue price of nil each. The Placement Offer will only be extended to the Placement Investors in accordance with their respective investments under the Placement. An Application Form for the Placement Offer will only be provided to these persons, together with a copy of the Prospectus.

Under the Service Provider Offer, the Company is offering 5,000,000 New Options at an issue price of nil each. The Service Provider Offer will only be extended to the Service Provider. An Application Form for the Service Provider Offer will only be provided to the Service Provider, together with a copy of this Prospectus.

The New Options to be issued under the Offers will be issued on the terms set out in section 4.7. Upon any exercise of New Options, the resulting Shares issued will rank equally in all respects with other Shares on issue at the time. A summary of the rights and liabilities attaching to Shares is set out in section 4.6.

1.1.3 Purpose

The primary purpose of the Offers is to:

- obtain quotation of the New Options; and
- remove trading restrictions on:
 - the New Options issued under the Offers to ensure that there is no breach of section 707(3) of the Corporations Act; and
 - the underlying Shares issued on exercise of the New Options issued under the Offers to ensure compliance with the requirements under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, no funds will be raised under the Offers as the issue of the New Options are free attaching to the Shares issued under the Placement. Expenses of the Offers will be paid out of the Company's existing cash reserves.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a cleansing notice under section 708A(5) of the Corporations Act, provided that the relevant securities are in a class that has been quoted for at least 3 months. As the New Options are in a new class of securities that have not yet been quoted, and the Company intends to seek quotation of the New Options, the Company is ineligible to rely on the exception pursuant to section 708A(5)(a) of the Corporations Act.

1.1.4 Use of funds

The Offers will not generate any net proceeds for use by the Company.

If all of the New Options are ultimately exercised (noting any exercise will likely depend on, among other things, the Share price at the time exceeding the exercise price and therefore being "in the money"), the Company will generate a further \$4,000,000 (before costs). It is currently intended that any funds raised from the exercise of the New Options will be used to:

- fund any exploration and ongoing activities at the Company's Projects; and
- provide general working capital for the Company.

The allocation of funds raised from any exercise of New Options will depend upon when the New Options are exercised and the circumstances of the Company's Projects and needs at the relevant time. Accordingly, the Company reserves the right to alter the way in which the funds are allocated at the relevant time.

1.1.5 Offer period

The Offers will open on the Opening Date and close on the Closing Date. However, the Company reserves the right to issue New Options to Related Party Investors to comply with any timing restrictions under the Listing Rules despite any extension of the Closing Date, although their quotation will remain subject to compliance with the Listing Rules and the Corporations Act.

1.1.6 Minimum subscription

The Offers have no minimum subscription.

1.1.7 Oversubscriptions

No oversubscriptions will be accepted by the Company.

1.1.8 Issue date

Any issue of New Options under the Offers is anticipated to occur promptly after the Closing Date. Following this, holding statements will be sent to investors as required by ASX. It is the responsibility of investors to determine their allocation prior to trading in the New Options. Investors who sell their New Options before they receive their holding statement will do so at their own risk.

1.1.9 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Options offered under the Offers. The New Options will remain unquoted until the Company has satisfied the ASX quotation requirements for the New Options. The fact that ASX may agree to the grant quotation of the New Options is in no way an indication of the merits of the Company, the New Options or any other securities of the Company.

1.1.10 Application monies

As the New Options are free attaching to Shares applied for under the Placement (in the case of the Placement Offer) or services provided to the Company (in the case of the Service Provide Offer), no application monies will be payable to the Company under the Offers.

1.1.11 Application Forms

An application under an Offer may only be made by an eligible person using the relevant Application Form. A completed Application Form must be sent to the Company by email to info@consolidatedzinc.com.au, so that it is received by the Closing Date.

The Company may accept or reject an application under an Offer in its absolute discretion. The Company's decision as to whether to treat an application as valid and how to construe, amend or complete an Application Form is final.

1.2 Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the offering of New Options in any jurisdiction outside Australia.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of New Options offered under this Prospectus. The return of an Application Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

1.3 Investor representations

Sending an Application Form to the Company or otherwise applying for New Options under an Offer (including via an intermediary) will be taken by the Company to constitute a representation by the investor that it (as applicable):

- has received a printed or electronic copy of this Prospectus accompanying the Application Form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of section 1.2 (to the extent that they are applicable) and confirms its eligibility in respect of the offer of New Options under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;

- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that its application may not be withdrawn once received by the Company;
- agrees to being issued the number of New Options that it applies for (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder of the New Options issued to it under the Offers;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the New Options are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the New Options to be issued to it, including correcting any errors in the Application Form or other form sent by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

1.4 CHES and issuer sponsorship

The Company operates an electronic CHES sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of New Options.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be sent to security holders as soon as practicable after the issue date. Holding statements will be sent either by CHES (for security holders who elect to hold New Options on the CHES sub-register) or by the Share Registry (for security holders who elect to hold New Options on the issuer sponsored sub-register). The statements will set out the number of New Options issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold the New Options on the CHES sub-register) or Holder Reference Number (for security holders who elect to hold New Options on the issuer sponsored sub-register). An updated holding statement will also be sent to the security holder following the month in which the balance of its security holding changes, and otherwise as required by the Listing Rules and the Corporations Act.

1.5 Privacy

Persons who apply for New Options under this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for New Options, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Options will not be processed.

In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.6 Tax

It is the responsibility of all investors to satisfy themselves of the particular tax treatment that applies to them in relation to the Offers by consulting their own professional tax advisers. Neither the Company or its Directors accept any liability or responsibility in respect of any tax consequences to an investor relating to this Prospectus.

1.7 Enquiries

Enquiries relating to this Prospectus can be directed to the Company by email at info@consolidatedzinc.com.au or by telephone on +61 8 6400 6222.

2 Offer Effects

2.1 Capital structure

The capital structure of the Company at the date of this Prospectus, and its anticipated capital structure upon completion of the Offers, is set out below.

Security	Existing	Completion
Shares	462,921,450 ¹	482,358,087 ²
Total Shares	462,921,450	482,358,087
New Options offered under the Placement Offer ³	-	95,000,000
New Options offered under the Service Provider Offer ³	-	5,000,000
Other Options ⁴	125,368,997	125,368,997
Performance Rights ⁵	8,500,000	8,500,000
Total other securities	133,868,997	233,868,997
Fully diluted share capital	596,790,447	716,227,084

Notes:

- 1 This includes the Shares that were issued to the Unrelated Investors under the Placement.
- 2 This includes the Shares to be issued to the Related Party Investors under the Placement.
- 3 The New Options have an exercise price of \$0.04 each, expire on 31 December 2024, are proposed to be quoted and are otherwise on the terms set out in section 4.7.
- 4 This number consists of the following Options:
 - (a) 99,118,996 quoted Options (ASX:CZLOB) exercisable at \$0.09 each and expiring on 30 June 2023;
 - (b) 83,333 unquoted Options exercisable at \$0.90 each and expiring on 30 June 2023;
 - (c) 166,666 unquoted Options exercisable at \$0.90 each and expiring on 30 September 2023; and
 - (d) 26,000,000 unquoted Options exercisable at \$0.04 each and expiring on 31 December 2024 (being the Incentive Options to the Directors that were approved by Shareholders at the General Meeting).
- 5 The Performance Rights vest on the Company achieving a 20-day VWAP of \$0.12 and expire on 31 December 2023.

2.2 Control

The Offers are not anticipated to have a material impact on control (as defined by section 50AA of the Corporations Act) of the Company. In particular, no person is expected to have a voting power greater than 20% as a result of the Offers (although it is noted that, as approved by Shareholders at the General Meeting, the Copulos Group is eligible for 18,181,818 New Options under the Placement Offer which, if exercised, and subject to the takeovers regime in Chapter 6 of the Corporations Act, may impact its voting power from that set out in section 4.8).

2.3 Cash reserves

After paying expenses of the Offers of approximately \$35,000 (exclusive of GST), there will be no net proceeds from the Offers. The expenses of the Offers will be met from the Company's existing cash reserves (which include funds raised from the Placement).

2.4 Financial position

The Offers will not have a material impact on the financial position of the Company. The minor reduction in cash reserves referred to in section 2.3 will have a correspondingly minor impact on the asset and equity balances of the Company's statement of financial position.

3 Risk Factors

3.1 Overview

An investment in New Options offered under this Prospectus (and any resulting Shares from their exercise) should be regarded as highly speculative. Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Company considers that the matters summarised in this section 3, which are not exhaustive, represent some of the major risk factors which investors need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

3.2 Specific risks

3.2.1 Liquidity

Investors should be aware that the New Options will be in a new class of securities that have not yet been quoted on ASX. Accordingly, there is a risk that there will be limited liquidity in the trading of the New Options if they are quoted on ASX (or otherwise), which may impact their tradable value, and any resulting Shares on their exercise may also be exposed to similar liquidity risks given, among other things, the scale and market capitalisation of the Company.

3.2.2 Exploration

Mineral exploration and development is considered a high risk activity. There is no guarantee that exploration of the Projects will result in the discovery of an economically viable resource. Even if an economically viable resource is discovered, there is no guarantee that the resource can be economically exploited.

Exploration of the Projects may be unsuccessful, resulting in a reduction of the value of those Projects, diminution in the cash reserves of the Company and possible relinquishment of such Projects.

3.2.3 Resource estimates

The Plomosas Project features Mineral Resources. Mineral Resource estimates are expressions of judgment based on knowledge, experience, and resource modelling. As such, resource and reserve estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

3.2.4 Operations

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Even though the Directors have between them significant mineral exploration and operational experience, no assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of any of the tenements on the Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

3.2.5 Underground mining

The Company conducts mining operations at the Plomosas underground mine in the northern Mexican state of Chihuahua. The Company recommenced mining in September 2018 and mines ore featuring zinc, lead and silver.

Underground mining is by its nature a high risk undertaking where operations can be affected by a number of factors. These include, but are not limited to, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables and inputs (including diesel), spare parts and plant and equipment, labour disputes, industrial accidents including fire, flood and collapse, unusual or unexpected geological formations or hydrogeological conditions including flooding.

3.2.6 Ore treatment

Ore treatment is by its nature a high risk undertaking where operations can be affected by a number of factors. These include, but are not limited to, unanticipated technical and operational difficulties, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables and inputs (including reagents and power), spare parts and plant and equipment, labour disputes, and industrial accidents.

3.2.7 Acquisitions and disposals

The Company may pursue and assess other new business opportunities or disposals in the resources sector (including the potential transaction referred to in section 4.3). These new business opportunities may take the form of project acquisitions or disposals, joint ventures, farm-ins or farm-outs, and equity investments or divestments.

The acquisition or disposal of assets (whether completed or not) may require the payment of monies (including as a deposit or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition or disposal will be completed or otherwise successful. If the proposed transaction is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition or disposal is completed, the Company will need to reassess at that time the funding allocated to its Projects, which may result in the Company reallocating funds from other Projects or raising additional capital (if available). Furthermore, even if a transaction may proceed upon the completion of due diligence and other conditions precedent, the usual risks and exposure associated with the new circumstances of the Company will enliven, and there is no guarantee that they will generate return or other benefits for investors.

3.2.8 Future capital requirements

The future capital requirements of the Company will depend on many factors including its business development activities. Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

In addition, should the Company consider that any of its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Any additional equity financing may be dilutive to investors and may be undertaken at lower prices than the market price. Any debt financing, if available, may

involve restrictions on financing and operating activities. There can be no assurance that additional finance will be available when needed.

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development, or production on the Company's Projects or even loss of interest in the Projects.

3.2.9 Commodity prices

The price of base metals fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events.

Future serious price declines in the market values of minerals which the Company plans to explore for could cause the development of, and eventually the commercial production from, the Projects to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of base metals are produced, a profitable market will exist for it.

3.2.10 Exchange rates

Noting that the Company already undertakes mineral production at its Plomosas Project, if the Company achieves success leading to mineral production at the Pilbara and Gascoyne Projects, or any other Projects which it owns from time to time, the revenue it will derive through the sale of commodities may expose the potential income of the Company to additional commodity price and exchange rate risks.

International prices of various commodities are often denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Mexican and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Mexican Peso and Australian dollar as determined in international markets.

3.2.11 Legal proceedings

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, particularly if proven, may impact adversely on the Company's operations, financial performance and financial position. In particular, the Company may be faced with potential litigation risks associated with its operations at the Plomosas Project in Mexico.

As announced on 3 December 2019, Caminos y Construcciones Ganti S.A. de C.V. (**Ganti**) was terminated as the mining contractor at the Plomosas Project. The Company's decision to terminate the mining contract was a result of an annual review which identified significant overcharging and underperformance by Ganti. Rather than follow the contractual conflict resolutions scheme in relation to the disputes cost claims, Ganti submitted legal proceedings in the Federal District Court of Mexico claiming final costs outstanding of 23,632,639 Mexican Peso (inclusive of 16% value added tax) (approximately US\$1,250,000). The Company has taken legal advice on the Ganti claim and intends to vigorously defend it. The Company has provided and will continue to provide updates on the Ganti claim in accordance with its continuous disclosure obligations.

Aside from the above, at the date of this Prospectus, the Company is not aware of any material legal proceedings affecting the Company and it is not aware of any legal proceedings pending or threatened against or affecting the Company.

3.2.12 Title and tenure

The tenements and mining claims which make up the Projects are subject to the applicable mining acts and regulations in Mexico and Western Australia, which are subject to periodic renewal and ongoing compliance. Each of the tenements that make up the Projects carry annual expenditure and reporting requirements. There is therefore a risk that the Company could lose its interest in the tenements which make up the Projects for failing to meet the compliance requirements.

There is no guarantee that current or future tenements or mining claims or future applications for production tenements will be approved. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Prior to any development on any of its properties, the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.

In relation to the tenements that make up the Pilbara and Gascoyne Projects, the Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

The rights to the tenements that make up the Pilbara and Gascoyne Projects carries with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the licence and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a licence or licences. There is no guarantee that current or future exploration applications or existing licence renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

3.2.13 Native title and indigenous heritage

In relation to the tenements which make up the Pilbara and Gascoyne Projects or any other tenements in Australia that the Company may in the future acquire an interest in, there may be areas over which legitimate common law native rights may exist. If such native title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant native title holders) or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.

The introduction of new legislation, amendments to existing legislation and the decisions of courts relating to native title and heritage which impose constraints or more stringent requirements on the Company could adversely impact its assets, operation, and financial performance, either directly or indirectly. This may include, for example, the *Aboriginal Cultural Heritage Bill 2021 (WA)* introduced into the parliament of Western Australia, which proposes to replace the current *Aboriginal Heritage Act 1972 (WA)*.

3.2.14 Jurisdiction

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Mexico and Western Australia may change, resulting in impairment of rights and possible expropriation of the Company's properties without adequate compensation.

The Plomosas Project is located in Mexico, which is a federal presidential democratic republic. Although the political conditions in Mexico are generally stable, there is a risk that changes in the fiscal, political and legal systems may occur, which may result in unexpected changes to the ownership or operations of the Plomosas Project, material exchange rate fluctuations, control or

fiscal regulations, regulatory regimes, political insurrection, labour unrest, inflation or economic recessions.

3.2.15 Labour market

Labour force matters including union disputes, blockages and unrest may occur in Mexico and restrict the ability of the Company to conduct its mining operations and the transport, processing and sale of its concentrate from the Plomosas Project. There is a risk that if any such events were to occur it could have a material adverse effect on the Company's operations at the Plomosas Project, and analogous workplace circumstances for any other Project of the Company may have a similarly detrimental impact on its prospects.

3.2.16 Environment

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment in Mexico for the Plomosas Project and Western Australia for the Pilbara and Gascoyne Projects. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Natural events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

Furthermore, in relation to the tenements that make up the Pilbara and Gascoyne Projects, under the *Mining Rehabilitation Fund Act 2012 (WA)*, the Company may be required to provide assessment information to the Department of Mines, Industry Regulation and Safety in respect of a mining rehabilitation levy payable for mining tenements granted under the Mining Act. The Company is required to contribute annually to the mining rehabilitation fund established under the Act if its rehabilitation liability is above \$50,000.

3.2.17 Climate change

There are several climate-related factors that may affect the operations and proposed activities of the Company. One of the climate change risks particularly attributable to the Company is the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its potential future profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Furthermore, climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

3.2.18 Competition

The Company competes with other companies, including major mining companies in Mexico, Australia and internationally. Some of these companies have greater financial resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these Companies.

3.3 General risks

3.3.1 Economic factors

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

3.3.2 Market conditions

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- fear of global pandemics; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

3.3.3 Security investments

Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the price of the Company's securities, regardless of its performance.

3.3.4 Force majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

3.3.5 Government regulation

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities and stakeholders to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain required permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a Project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements which make up the Projects.

3.3.6 Tax

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for securities under this Prospectus.

3.3.7 COVID-19

Global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. Accordingly, the market price of the Company's Shares (and New Options) may be adversely affected by the economic uncertainty caused by COVID-19.

There is a risk that this uncertainty may continue for the foreseeable future, which could interrupt the Company's operations, contractual obligations, supply chains and ability to access capital. Similar pandemics or global medical crises in the future could also have a negative impact on the Company and therefore its prospects.

3.3.8 Global conflicts

The current conflict between Ukraine and Russia is impacting global economic markets. The nature and extent of the effect of the conflict on the performance of the Company remains unknown. The Company's Share price (and New Option price) may be adversely affected in the short to medium term by the economic uncertainty caused by it.

The Company will monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the conflict, including limitations on travel and changes to import or export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Company is monitoring the situation closely and considers the impact of the conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and may ultimately result in other geopolitical tensions or conflicts, making the potential consequences on the Company and its prospects inherently uncertain.

3.4 Other risks

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. Investors should consider an investment in the Company as highly speculative and should consult their professional advisers before deciding whether to participate in the Offers. The securities offered under this Prospectus (including where any New Options are exercised into Shares) carry no guarantee with respect to the payment of dividends, return of capital or their market value.

4 Additional Information

4.1 Continuous disclosure

Being admitted to the official list of ASX, the Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed entities, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to Securities being issued under the Offers. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

4.2 Transaction-specific prospectus

Under section 713 of the Corporations Act the Company is entitled to issue a transaction-specific prospectus in respect of the Offers.

A transaction-specific prospectus is only required to contain information about the effect of the Offers on the Company and the rights and liabilities attaching to the Securities being issued under the Offers. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the Company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual financial report of the Company for the financial year ended 31 December 2021;
 - the half year financial report of the Company for the half year ended 30 June 2022; and
 - all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are encouraged to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX by the Company since the Company lodged its annual financial report for the financial year ended 31 December 2021 on 2 May 2022.

Date	Title
28/12/2022	Change of Director's Interest Notice
28/12/2022	Notification regarding unquoted securities – CZL
22/12/2022	Pilbara Lithium Projects Exploration Update
09/12/2022	Results of Meeting
08/11/2022	Letter to Shareholders – Notice of General Meeting
08/11/2022	Notice of General Meeting/Proxy Form
03/11/2022	IMARC Investor Presentation
02/11/2022	Pilbara Lithium Exploration Update
31/10/2022	Quarterly Activities/Appendix 5B Cash Flow Report
26/10/2022	Pilbara Lithium Exploration Update
17/10/2022	Offtake Agreement for 100% of Plomosas Zinc Concentrate
05/10/2022	Change in substantial holding
30/09/2022	Section 708 Notice
30/09/2022	Application for quotation of securities – CZL
23/09/2022	Summary of New Option Terms
23/09/2022	Proposed issue of securities – CZL
23/09/2022	Proposed issue of securities – CZL
23/09/2022	Placement to Fund Pilbara Lithium Exploration
20/09/2022	Trading Halt
13/09/2022	Change in Substantial Holdings
02/09/2022	Initial Director's Interest Notice
02/09/2022	Final Director's Interest Notice
02/09/2022	Pilbara Lithium Project Update
10/08/2022	CZL Board and Management Changes
01/08/2022	Application for quotation of securities – CZL
01/08/2022	Section 708 Notice
01/08/2022	CZL Completes Acquisition of Pilbara Lithium Projects
29/07/2022	Quarterly Activities/Appendix 5B Cash Flow Report

Date	Title
01/07/2022	Ceasing to be a substantial holder
30/06/2022	Corporate Governance Statement
09/06/2022	Change in substantial holding
07/06/2022	Amendments to Results of Meeting
02/06/2022	Section 708 Notice
02/06/2022	Application for Quotation of Securities
02/06/2022	Proposed issue of securities – CZL
02/06/2022	Update – Proposed issue of securities – CZL
31/05/2022	Annual General Meeting Presentation
31/05/2022	Results of Meeting
16/05/2022	Update – Proposed issue of securities – CZL
16/05/2022	Binding Agreement Executed to Acquire Westoz Lithium
16/05/2022	Withdrawal of resolution from General Meeting
03/05/2022	Change in substantial holding
02/05/2022	Appendix 4G
02/05/2022	Quarterly Activities/Appendix 5b Cash Flow Report
02/05/2022	Annual Report to shareholders

4.3 Excluded information

In accordance with section 713(5) of the Corporations Act, information must be included in this Prospectus if the information:

- has been excluded from a continuous disclosure notice in accordance with the Listing Rules;
- is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - the rights and liabilities attaching to the New Options being offered; and
 - would reasonably expect to find in this Prospectus.

The Company notes that other than as set out below or elsewhere in this Prospectus there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

As referred to in its ASX announcement on 23 September 2022, the Company has been in discussions with an unrelated third party (listed on a recognised stock exchange) regarding a potential sale of the Plomosas Project (including the associated mining tenements, information, plant and equipment). Since that announcement, the Company has signed a non-binding indicative offer, the commercial terms of which are confidential and subject to further ongoing negotiation.

Although a non-binding indicative offer has been signed and negotiations have advanced, they are still ongoing, uncertain and incomplete, and there is no guarantee that a binding agreement will be signed or that a transaction will materialise. In particular, it is noted that any transaction would be subject to various conditions and approvals, including due diligence and shareholder approvals (including for the Company under the Listing Rules). Further, the Company will only continue such negotiations and, potentially, enter into any binding sale agreement on terms that it considers are in the best interests of its Shareholders. The Company will keep the market informed of any developments in relation to the above and otherwise in accordance with its continuous disclosure obligations.

4.4 ASIC determinations

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing New Options under this Prospectus.

4.5 Market price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months before the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

Shares	Price	Date
High	\$0.03	19 October 2022
Low	\$0.017	Various
Last	\$0.018	28 December 2022

Note: The table above purely represents the market price of Shares, and not any other security of the Company such as New Options (for which no tradable market currently exists given they will be a newly formed class of security).

4.6 Rights and liabilities attaching to Shares

A summary of the rights and liabilities attaching to Shares is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

- **Voting rights**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present

in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up on that member's share bears to the total amounts paid and payable (excluding amounts credited) on that share.

- **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

- **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

- **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

- **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

- **Sale of non-marketable holdings**

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of these Shares in the event that holders do not take steps to retain their holdings. The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules.

- **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion determine.

- **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

- **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.7 Terms of New Options

The terms of the New Options are set out below.

- **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

- **Issue Price**

The New Options will be issued for nil consideration.

- **Exercise Price**

Subject to the terms and conditions set out below, the amount payable upon exercise of each New Option will be \$0.04 (**Exercise Price**).

- **Expiry Date**

Each New Option will expire at 5:00pm (AWST) on 31 December 2024 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

- **Notice of Exercise**

The New Options may be exercised by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise

Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

- **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of a Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

- **Timing of issue of Shares**

Within 10 business days after the Exercise Date, the Company will:

- issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASX a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then Shares of the Company.

- **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option s holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options.

- **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price of a change in the number of underlying securities over which the New Option can be exercised.

- **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

- **Quotation**

The Company will seek ASX quotation of the New Options.

4.8 Substantial holders

Based on publicly available information at the date of this Prospectus, those persons with a voting power in the Company of at least 5% are set out below.

Shareholder	Shares	Voting power
Copulos Group ¹	112,016,347	24.2%

Notes:

1 Comprising 40,104,356 Shares held by Eyeon Investments Pty Ltd <Eyeon Investments Family Trust A/C>; 23,346,973 Shares held by Copulos Superannuation Pty Ltd <Copulos Provident Fund A/C>; 16,468,315 Shares held by Eyeon No 2 Pty Ltd; 14,612,846 Shares held by Spacetime Pty Ltd <Copulos Executive Super Fund No 1>; 8,619,386 Shares held by Citywest Corp Pty Ltd <Copulos Sunshine Unit A/C>; 7,833,333 Shares held by Citywest Corp Pty Ltd <Copulos Sunshine Unit A/C>; and 1,031,138 Shares held by HSBC Custody Nominees (Australia) Ltd as custodian for Citywest Corp Pty Ltd.

4.9 Director interests

4.9.1 Overview

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years before the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offers.

4.9.2 Remuneration

The cash remuneration (including superannuation) paid or to be paid to the Directors for the 2 years before the date of this Prospectus is set out below.

Director	Position	FY 2020	FY 2021	FY 2022
Bradley Marwood	Executive Chairman	US\$265,845	US\$252,153	US\$161,000 ³
Anthony Italiano ¹	Executive Director	US\$184,427	US\$221,679	US\$204,572 ³
Angela Pankhurst ²	Non-Executive Director	US\$38,874	US\$67,624	US\$28,759

Notes:

- 1 Anthony Italiano was appointed to the position of Executive Director of the Company on 1 September 2022. Anthony is also the Company Secretary and CFO of the Company and held these roles prior to being appointed as Director as well on 1 September 2022.
- 2 Angela Pankhurst was an Executive Director of the Company from 19 January 2021 until 31 January 2022.

- 3 As referred to in its ASX announcement on 10 August 2022, the Company also intends to incentivise and remunerate Bradley Marwood and Anthony Italiano in connection with any sale of the Plomosas Project, approximate to 1% of any such sale proceeds each, subject to any applicable Shareholder approval.

4.9.3 Security holdings

Set out below are the anticipated relevant interests of the Directors (whether held directly or indirectly) in the securities of the Company upon completion of the Offers.

Director	Shares	Voting power	New Options	Incentive Options	Other Options ¹	Performance Rights ²
Bradley Marwood	1,047,417	0.22%	800,000	10,000,000	3,387	3,500,000
Anthony Italiano	454,545	0.09%	454,545	10,000,000	Nil	2,000,000
Angela Pankhurst	46,195	0.01%	Nil	6,000,000	12,373	1,500,000

Notes:

- 1 These Options are quoted (ASX:CZLOB), have an exercise price of \$0.09 each and expire on 1 June 2023.
- 2 These Performance Rights vest based on the Company achieving a 20-day VWAP of \$0.12 and expire on 31 December 2023.

4.10 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years before the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers.

AGH Law has acted as the legal adviser to the Company in relation to the Offers. The estimated fees payable to AGH Law for these services are \$15,000 (excluding GST). Other fees paid to AGH Law for various legal services to the Company in the 2 years before this Prospectus are \$83,638 (excluding GST). Further amounts may be paid to AGH Law in accordance with its usual time based rates.

4.11 Consents

Each of the parties referred to below:

- does not make the Offers;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and

- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

AGH Law has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offers in the form and context in which it is named. AGH Law has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

4.12 Costs

The estimated costs of the Offers (exclusive of GST) are set out below.

Item	Amount
Legal	\$15,000
ASIC	\$3,206
ASX	\$12,728
Printing, registry and other	\$4,066
Total	\$35,000

4.13 Litigation

At the date of this Prospectus, other than as disclosed in this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

4.14 Director statements

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Definitions

Application Form means a form accompanying this Prospectus (including any electronic form provided by an online application facility) in respect of an Offer (as applicable).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offers closes, being 5:00pm (AWST) on 5 January 2023 or any other time and date determined by the Company.

Company means Consolidated Zinc Limited (ACN 097 982 235).

Constitution means the constitution of the Company from time to time.

Copulos Group means the group of entities controlled by Stephen Copulos in relation to the Company, as described in section 4.8.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

FY means a financial year of the Company, being a period from 1 January to 31 December.

General Meeting means the general meeting of the Company held on 9 December 2022.

Incentive Option means an unquoted Option with an exercise price of \$0.04 each and expiry date of 31 December 2024, as approved at the General Meeting.

Listing Rules means the official listing rules of ASX.

Offer means the Placement Offer or the Service Provider Offer (as applicable).

Opening Date means the date that the Offers open, being 8:00am (AWST) on 4 January 2023 or any other time and date determined by the Company.

Option means an option to acquire a Share.

Pilbara and Gascoyne Projects mean the lithium-rare earths exploration projects in the Pilbara and Gascoyne regions of Western Australia owned by the Company.

Placement means the placement of 95,000,000 Shares at \$0.022 each to raise \$2,090,000 (before costs) undertaken by the Company, together with 95,000,000 free attaching New Options (being those proposed to be issued under this Prospectus).

Placement Investors mean the Unrelated Investors and the Related Party Investors (as applicable).

Placement Offer means the offer of 95,000,000 New Options to the Placement Investors under this Prospectus.

Plomosas Project means the zinc-lead-silver mining project in Mexico owned by the Company, including the associated mining tenements, information, plant and equipment.

Project means the Plomosas Project, the Pilbara and Gascoyne Projects or any other exploration or mining project that the Company has an interest in from time to time (as applicable).

Prospectus means this prospectus (including any supplementary or replacement prospectus relating to it).

Related Party Investor means a related party of the Company who participated in the Placement Offer (or its nominees), as approved at the General Meeting.

Service Provider means Lazarus Corporate Finance Pty Ltd (or its nominees).

Service Provider Offer means the offer of 5,000,000 New Options to the Service Provider under this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of one or more Shares.

Share Registry means Automic Pty Ltd (ACN 152 260 814).

Unrelated Investor means a sophisticated or professional investor under the Corporations Act who participated in the Placement Offer (or its nominees), and who is not a Related Party Investor.

VWAP means the volume weighted average price.

Corporate Directory

Directors

Bradley Marwood
Executive Chairman

Anthony Italiano
Executive Director

Angela Pankhurst
Non-Executive Director

Company Secretary

Anthony Italiano

Registered Office

Ground Floor, 25 Richardson Street
West Perth, WA 6005

Telephone: +61 8 6400 6222

Email: info@consolidatedzinc.com.au

Website

www.consolidatedzinc.com.au

ASX Code

CZL

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Legal Adviser

AGH Law
Level 1, 50 Kings Park Road
West Perth WA 6005