

Consolidated Zinc Limited
ACN 118 554 359

Notice of General Meeting

Notice is given that a general meeting of the Company will be held at:

Time	2:00pm (AWST)
Date	Monday, 20 March 2023
Place	Level 1, 50 Kings Park Road West Perth WA 6005

Important: This Notice 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.

Notice of General Meeting

Notice is given that a general meeting (**Meeting**) of Consolidated Zinc Limited (ACN 118 554 359) (**Company**) will be held at 2:00pm (AWST) on Monday, 20 March 2023 at Level 1, 50 Kings Park Road, West Perth WA 6005.

Resolutions

The agenda for the Meeting will be to consider the Resolutions set out below.

1 Sale of the Plomosas Project to Impact Silver Corp.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 11.2, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the sale of the Plomosas Project to Impact Silver Corp. (or its nominee), as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Impact Silver, or any person who will obtain a material benefit as a result of the sale of the Plomosas Project (except a benefit solely by reason of being a Shareholder), or any of their respective associates, subject to any applicable exceptions described below.

2 Potential benefits to the Relevant Executives

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Part 2D.2 of the Corporations Act and for all other purposes, Shareholders approve the payment of cash benefits to:

(a) *Bradley Marwood (or his nominees); and*

(b) *Anthony Italiano (or his nominees),*

*(each, a **Relevant Executive**) in connection with a sale of the Plomosas Project, as described in the Explanatory Statement."*

Voting exclusion: The Company will disregard any votes cast in favour of: (a) Resolution 2(a) by or on behalf of Bradley Marwood or any of his respective associates; and (b) Resolution 2(b) by or on behalf of Anthony Italiano or any of his respective associates, subject to any applicable exceptions described below.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 2(a) and 2(b) if: (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and (b) the appointment does not specify the way the proxy is to vote on Resolutions 2(a) and 2(b), subject to any applicable exceptions described below.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolutions 2(a) and 2(b) must not be cast by any persons eligible to receive a benefit in connection with that person ceasing to hold such office or any of their respective associates, otherwise the benefit of this Resolution will be

lost by such persons in relation to that person's future retirement, subject to any applicable exceptions described below.

3 Change of Company name

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of section 157 of the Corporations Act and for all other purposes, Shareholders approve changing the name of the Company to "Yari Minerals Limited" with effect from the date that ASIC alters the details of the Company's registration."

Voting exclusions

Where a voting exclusion applies, it is set out below the relevant Resolution. The voting exclusions for the following Resolutions are subject to the exceptions stated in the table below (as applicable).

Resolution	Exceptions
2(a) 2(b)	<p>A voter described in the voting exclusion may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in the voting exclusion and either:</p> <ul style="list-style-type: none">• the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or• the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none">- does not specify the way the proxy is to vote on the Resolution; and- expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
1 2(a) 2(b)	<p>The voting exclusion does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none">• a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;• the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or• a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">- the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and- the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting entitlements

The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 2:00pm (AWST) on 18 March 2023. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy voting

- Votes at the Meeting may be given personally or by proxy, attorney or representative.
- A proxy need not be a Shareholder of the Company.
- The Proxy Form sent with this Notice should be used for the Meeting.
- Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.
- In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.
- Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.
- Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- A member of the Key Management Personnel (which includes each Director) will not be able to vote as proxy on Resolutions 2(a) and 2(b) (each, a **Relevant Resolution**) unless the Shareholder directs it how to vote or, in the case of the Chair, unless the Shareholder expressly authorises the Chair to do so.
- If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as its proxy, the Shareholder should ensure that it directs the member of the Key Management Personnel how to vote on the Relevant Resolution.
- If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on a Relevant Resolution by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.
- If a Shareholder intends to appoint the Chair as its proxy for a Relevant Resolution, the Shareholder can direct the Chair how to vote by marking one of the boxes for the Resolution (e.g. if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting).
- A Proxy Form (including any instrument under which it has been executed) or power of attorney granted by a Shareholder must be lodged with the Company's share registry, Automic Pty Ltd:
 - by mail to GPO Box 5193, Sydney NSW 2001;
 - in person at Level 5, 126 Phillip Street, Sydney NSW 2000;
 - online at <https://investor.automic.com.au/#/loginsah>;
 - by email to meetings@automicgroup.com.au; or

– by facsimile to +61 2 8583 3040,

so that they are received no later than 48 hours before the commencement of the Meeting.

- The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

Document components

This document includes this Notice and the accompanying Explanatory Statement and Proxy Form.

Authorisation

By order of the Board.

Anthony Italiano

Director and Company Secretary

16 February 2023

Explanatory Statement

This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions. The Explanatory Statement forms part of the Notice which should be read in its entirety.

1 General

1.1 Purpose of Notice

The Explanatory Statement contains the key terms on which the Resolutions will be voted, and includes information to assist Shareholders in deciding how to vote on the Resolutions. A Proxy Form is located at the end of the Explanatory Statement.

1.2 Access to Notice

In accordance with section 110D of the Corporations Act (as inserted by the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), this Notice and Explanatory Statement are being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice, other than to any Shareholder who has elected to receive notices of meeting in hard copy only pursuant to section 110E, or who otherwise requests a hard copy of this Notice at least 48 hours before the Meeting.

The Notice can be viewed and downloaded via:

- the Company's website at www.consolidatedzinc.com.au/investors/asx-announcements;
- the Company's ASX platform at www2.asx.com.au/markets/company/czl; and
- if the Shareholder has nominated an email address and elected to receive electronic communications from the Company, the link sent by the Company to the Shareholder's nominated email address.

1.3 Board recommendations

To the extent it can, each Director recommends that Shareholders vote in favour of each Resolution.

2 Resolution 1 – Sale of the Plomosas Project to Impact Silver Corp.

2.1 General

As announced on 10 February 2023, the Company has entered into a share sale agreement (**Sale Agreement**) with Impact Silver for the sale of its Plomosas Project (**Proposed Transaction**). The material terms of the Sale Agreement are summarised in section 2.3.

The Company has owned the Plomosas Project since 2015, and has remained alert to further opportunities in the resources space, including by acquiring its lithium and rare earths exploration projects in Western Australia (**Pilbara and Gascoyne Projects**) in 2022.

ASX has confirmed that the Proposed Transaction constitutes a disposal of the Company's main undertaking and that, in order for the Company to undertake the disposal, it would first need to obtain Shareholder approval under Listing Rule 11.2. It is a condition to completion of the Sale Agreement that the Company obtains Shareholder approval for the Proposed Transaction.

Resolution 1 is an ordinary resolution.

If Resolution 1 is passed, the Company will be able to proceed with the Proposed Transaction and, therefore, sell the Plomosas Project to Impact Silver in accordance with the Sale Agreement.

If Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Transaction and, therefore, will not sell the Plomosas Project to Impact Silver in accordance with the Sale Agreement.

2.2 Listing Rule 11.2

Listing Rule 11.2 requires a company to obtain shareholder approval in relation to a proposed transaction that involves a disposal of its main undertaking. The principle underlying Listing Rule 11.2 is that a disposal by a listed entity of its main undertaking is such a transformative transaction, and results in such a major change to the security holders' investment in the entity that, in all cases it is appropriate for security holders to have to approve it.

ASX generally applies a 50% "rule of thumb" in assessing whether a business constitutes the main undertaking of a listed entity. The Plomosas Project comprises more than 50% of the Company's:

- consolidated total assets;
- consolidated annual revenue / expenditure;
- consolidated EBITDA; and
- consolidated annual loss before tax.

The Company anticipates that the Proposed Transaction will have the following effect on those metrics, based on its figures as at 30 June 2022:

Item	Current	Completion	Change
Consolidated total assets	US\$5,260,670	US\$6,125,944	16%
Consolidated half year revenue	US\$2,150,715	US\$0	-100%
Consolidated EBITDA	- US\$906,424	- US\$311,178	-66%
Consolidated annual loss before tax	- US\$1,338,306	- US\$311,178	-77%

Accordingly, and as confirmed by ASX, the Proposed Transaction constitutes a disposal of the Company's main undertaking for the purposes of Listing Rule 11.2.

2.3 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

The Company currently has 3 Directors, and a quorum for a meeting of the Board is 2 Directors. Angela Pankhurst does not have a material personal interest in Resolution 1, however it is arguable that Bradley Marwood and Anthony Italiano do due to the potential benefits that they may respectively receive via the matters described in Resolutions 2(a) and 2(b).

In the interests of good corporate practice and having regard to *ASIC Regulatory Guide 76*, as the Board is or may be unable to form a quorum with respect to Resolution 1 and the matters it contemplates, the Company is also seeking approval of this Resolution for the purposes of section 195(4) of the Corporations Act so that Shareholders can make a determination.

2.4 Terms of the Sale Agreement

The material terms of the Sale Agreement are set out below.

- (a) **(Purchase price):**
- (i) The Company will receive the following consideration for the Plomosas Project:
 - (A) US\$3,000,000 in cash at completion (**Cash Amount**) of the Sale Agreement (**Completion**);
 - (B) US\$3,000,000 in common shares in Impact Silver (**Share Amount**) at Completion, based on the lower of C\$0.3483 and the price under the Impact Capital Raising; and
 - (C) 12% of net profits from the Plomosas Project in cash (**NPI**) from Completion, the terms of which will be set out in a fulsome net profit interest deed (**NPI Deed**).
 - (ii) 75% of the Share Amount will initially be subject to escrow, which will expire over 18 months from Completion in 3 equal tranches (or otherwise as required by the TSX-V).
 - (iii) Broadly, the NPI will be calculated by the revenue generated from the Plomosas Project, less direct operating costs (including mining, processing and administrative), capital expenditure and exploration incurred on the Project.
- (b) **(Conditions):** Completion is subject to various conditions (**Conditions**) being satisfied or waived (as applicable) by 31 March 2023 (unless specified below or otherwise agreed), including the following:
- (i) each party obtaining any required shareholder and regulatory approvals;
 - (ii) the parties entering into the NPI Deed; and
 - (iii) Impact Silver completing a share placement to raise US\$5,000,000 (**Impact Capital Raising**) within 30 days of the date of the Sale Agreement.
- (c) **(Completion):** Completion will occur within 7 days of the Conditions being satisfied or waived (as applicable).
- (d) **(Target entity):** At Completion, Impact Silver will effectively acquire all of the Company's share capital in the subsidiary that owns the Plomosas Project, Minera Latin American Zinc S.A.P.I de C.V..
- (e) **(Ganti dispute):** The Company will be entitled to a portion of the proceeds of the outcome of the Ganti dispute from Impact Silver, with such portion to be calculated based on the outcome of the Ganti dispute. Impact Silver may offset such amount against any costs it reasonably incurs in resolving the dispute for up to 5 years from Completion.
- (f) **(Break fee):** A US\$100,000 break fee is payable by a breaching party to the other party in certain circumstances.

The Sale Agreement otherwise contains customary terms for such agreements including with respect to pre-Completion conduct, post-Completion conduct, litigation management, tax matters, warranties and indemnities.

It is further noted that Jett Capital Advisors, LLC are acting as exclusive financial advisor to the Company in the Proposed Transaction and are entitled to a success fee on completion of the Proposed Transaction of 6% of the Cash Amount, the Share Amount and of future NPI received by the Company.

2.5 Key advantages of the Proposed Transaction

The Company considers that there are various advantages to the Proposed Transaction, some of which have been set out below.

- (a) The Company will have the ability to primarily focus its resources on the Pilbara and Gascoyne Projects following completion of the Proposed Transaction, whilst retaining an essentially passive interest in the Plomosas Project.
- (b) The Proposed Transaction will provide the Company with an improved cash position, and therefore will assist the Company with managing its ongoing and near term funding requirements, including with respect to exploration activities at the Pilbara and Gascoyne Projects.
- (c) Although the Company will be transferring ownership in the Plomosas Project, it will retain an economic interest in the Plomosas Project through the NPI, giving the Company exposure to its potential upside and income stream.
- (d) The Proposed Transaction will reduce the Company's exposure to the risks associated with the Plomosas Project, including in relation to financing risks, geological risks, zinc and lead market risks, operational risks and jurisdictional risks associated with mining and operating in Mexico.
- (e) Impact Silver is a reputable counterparty that is listed on the TSX-V and FSE, and it has extensive experience in successfully managing and operating projects similar to the Plomosas Project in Mexico.
- (f) Through the Share Amount component of the purchase price, the Company will obtain a shareholding in Impact Silver, which holds various mineral exploration and production assets in Mexico, allowing Shareholders to potentially benefit from this indirect exposure.
- (g) The Company will no longer be required to fund the Plomosas Project and its mining operations, which will reduce the requirement of the Company to directly contribute financial resources to the Plomosas Project.
- (h) Shareholders will not be diluted by the Proposed Transaction as no Shares are being issued by the Company under it.

2.6 Potential disadvantages of the Proposed Transaction

The Company notes that there may be disadvantages from the Proposed Transaction, including the potential examples set out below.

- (a) The Company will no longer directly control or own the Plomosas Project, and it will instead only have a passive, indirect and minor economic interest in the Plomosas Project and its potential upside via the NPI.
- (b) The Proposed Transaction will result in the Company no longer being the legal owner of the Plomosas Project, which may be inconsistent with the investment objectives of current Shareholders.
- (c) The sale of the Plomosas Project will reduce the Company's exposure to a broader portfolio of commodities (particularly zinc and lead) as its other key assets, being the Pilbara and Gascoyne Projects, are instead considered to be prospective for lithium and rare earths.
- (d) There is a risk that the Company will not be able to progress or develop the Pilbara and Gascoyne Projects in the future or pursue other investment opportunities to develop further value for Shareholders.
- (e) The Company's additional 10% placement capacity under Listing Rule 7.1A that was approved by Shareholders at its annual general meeting on 31 May 2022 will expire upon Shareholders

approving Resolution 1, however this additional placement capacity can be refreshed at the Company's next annual general meeting in 2023.

2.7 Information under ASX Guidance Note 12

The information below is provided for the purposes ASX Guidance Note 12.

- (a) The parties to the Proposed Transaction are the Company and Impact Silver.
- (b) The material terms of the Proposed Transaction are summarised in section 2.4.
- (c) The material effect of the Proposed Transaction on the Company is set out in section 2.2 and Schedule 1.
- (d) Following completion of the Proposed Transaction, the Company's business model will further focus on its Pilbara and Gascoyne Projects in Western Australia, which are prospective for lithium and rare earths.
- (e) The Company intends to use cash proceeds from the Proposed Transaction towards (among other things) its Pilbara and Gascoyne Projects, as well as general working capital.
- (f) The Proposed Transaction does not involve any change to the Board or senior management of the Company, and the Company does not anticipate any immediate change to either as a result of the Proposed Transaction.
- (g) The Proposed Transaction is expected to complete within 7 days of the Conditions under the Sale Agreement being satisfied or waived (including approval of this Resolution).
- (h) ASX takes no responsibility for the contents of this Notice.

3 Resolution 2 – Potential benefits to the Relevant Executives

3.1 General

In conjunction with the Sale Agreement, the Company has agreed to pay certain contingent cash bonuses (**Cash Bonus**) to Bradley Marwood and Anthony Italiano (**Relevant Executives**), who are each Directors engaged in an executive capacity by the Company. The material terms of the Cash Bonus are set out in section 3.4.

The Corporations Act contains various limitations on giving benefits to persons who hold or have previously held a "managerial or executive office" (as that term is defined in the Corporations Act) if the payment is to be made in connection with:

- that person ceasing to hold a managerial or executive office with the Company; or
- the transfer of the whole or any part of the undertaking or property of the Company.

Furthermore, Listing Rule 10.19 provides certain limitations on the payment of termination benefits to a person that holds a managerial or executive office if the value of the termination "benefits" (as that term is defined in the Corporations Act) that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX (**5% Threshold**).

Accordingly, the Company is seeking Shareholder approval for the following reasons:

- the potential accelerated vesting of the Cash Bonus or continued payment of the Cash Bonus on cessation of employment of a Relevant Executive may constitute a termination benefit which is otherwise prohibited by section 200B of the Corporations Act; and

- the potential payment of the Cash Bonus may constitute a benefit that is made in connection with a transfer of the whole or any part of the undertaking or property of the Company which is otherwise prohibited by section 200C of the Corporations Act.

Resolutions 2(a) and 2(b) are ordinary resolutions.

If Resolution 2(a) is passed, the Company will be able to give the benefits described above to Bradley Marwood in connection with him ceasing to hold his managerial or executive office with the Company or the Proposed Transaction.

If Resolution 2(a) is not passed, the Company will not be able to give the benefits described above to Bradley Marwood in connection with him ceasing to hold the managerial or executive office with the Company or the Proposed Transaction. Accordingly, the Company may need to find alternative methods to compensate Bradley Marwood.

The Board (other than Bradley Marwood, who has a material personal interest in the outcome of Resolution 2(a)) recommends that Shareholders vote in favour of Resolution 2(a).

If Resolution 2(b) is passed, the Company will be able to give the benefits described above to Anthony Italiano in connection with him ceasing to hold his managerial or executive office with the Company or the Proposed Transaction.

If Resolution 2(b) is not passed, the Company will not be able to give the benefits described above to Anthony Italiano in connection with him ceasing to hold the managerial or executive office with the Company or the Proposed Transaction. Accordingly, the Company may need to find alternative methods to compensate Anthony Italiano.

The Board (other than Anthony Italiano, who has a material personal interest in the outcome of Resolution 2(b)) recommends that Shareholders vote in favour of Resolution 2(b).

3.2 Listing Rule 10.19

Listing Rule 10.19 provides that an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of these benefits and the termination benefits that are or may become payable to all officers together exceed the 5% Threshold without the prior approval of shareholders.

Depending on the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed the 5% Threshold. In accordance with Listing Rule 10.19, the termination benefits that are or may become payable to the Relevant Executives will not together exceed the 5% Threshold unless shareholder approval is obtained.

3.3 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Under section 200C of the Corporations Act, a company may only give a person who holds or has previously held a managerial or executive office a benefit in connection with the transfer of any part of the undertaking or property of the Company if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Accordingly, Shareholder approval under Resolutions 2(a) and 2(b) is being sought for the purposes of section 200E of the Corporations Act to approve:

- the potential accelerated vesting or continued payment of the Cash Bonus in connection with a Relevant Executive ceasing to hold a managerial or executive office in the Company for the purposes of section 200B of the Corporations Act; and

- the potential payment of the Cash Bonus in connection with a transfer of the whole or any part of the undertaking or property of the Company for the purposes of section 200C of the Corporations Act.

3.4 Terms of the Cash Bonus

The material terms of the Cash Bonus are set out below.

- The Cash Bonus vests and becomes payable to each Relevant Executive when the Company completes a transaction which contemplates the Proposed Transaction.
- The Cash Bonus payable to each Relevant Executive will be calculated as follows:
 - 1% of the cash consideration made to the Company for the Proposed Transaction;
 - 1% of the cash proceeds received from the sale of any share consideration made to the Company for the Proposed Transaction; and
 - 1% of any ongoing cash consideration payable to the Company in connection with the Proposed Transaction.
- If a Relevant Executive ceases to be employed by the Company (other than for gross misconduct), the Company may continue to pay the Cash Bonus or accelerate the payment of the Cash Bonus in full and final discharge of the Cash Bonus.
- If there is a change of control event concerning the Company, there is an automatic acceleration of the Cash Bonus to each Relevant Executive in full and final discharge of the Cash Bonus.
- If the Company sells its rights to the ongoing cash consideration at a future date, each Relevant Executive will be entitled to 1% of the cash proceeds of the sale and the Cash Bonus will cease.

3.5 Additional information about the Cash Bonus

The Company provides the additional information set out below in relation to the Cash Bonus.

- The actual value of the benefits described above cannot be quantified at this point in time. The value of the benefits will be dependent on a number of factors including the future operating and financial performance of the Company.
- As the Cash Bonus is dependent on whether the Proposed Transaction actually occurs, there is no guarantee that the Cash Bonus will ever become payable to each Relevant Executive.
- The Company may exercise its discretion to continue to pay the Cash Bonus on termination of each Relevant Executive or accelerate the payment of the Cash Bonus, which may affect the value of the benefits at the relevant time.
- Further matters that are likely to affect the future value of the potential Cash Bonus include:
 - the legal structure of the Proposed Transaction;
 - whether the consideration payable to the Company on sale of Plomosas will include any cash, share and ongoing consideration components payable to the Company;
 - if there is an ongoing consideration component, the value of the ongoing consideration component of the Cash Bonus at the time a Relevant Executive ceases employment with the Company; and
 - the remaining life of the ongoing consideration component at the time a Relevant Executive ceases employment with the Company.

4 Resolution 3 – Change of Company name

4.1 General

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 3 seeks the approval of Shareholders for the Company to change its name to "Yari Minerals Limited".

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

4.2 Rationale for proposed change

The Company was incorporated as "Avermore Limited" in February 2006 with an initial focus on uranium exploration. The Company underwent 2 name changes prior to listing on the ASX in May 2006 as "Newera Uranium Limited". In November 2010, the Company changed its name from "Newera Uranium Limited" to "Newera Resources Limited". The Company changed its name to "Consolidated Zinc Limited" following the acquisition of the Plomosas Project in June 2015.

The Company proposes to change its name to "Yari Minerals Limited" on the basis that it more accurately reflects the Company's focus on a more diversified range of minerals, specifically in the lithium and battery minerals space.

In connection with the change of Company name, the Company proposes to change its ASX code, in line with its new proposed name "Yari Minerals Limited".

4.3 Effect of approval

The proposed name has been reserved by the Company with ASIC. If Resolution 3 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

Definitions

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.

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

Board means the board of Directors.

C\$ means Canadian dollars.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means a spouse or child of the member, and otherwise has the meaning given in section 9 of the Corporations Act.

Company means Consolidated Zinc Limited (ACN 118 554 359).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement which forms part of the Notice.

FSE means the Frankfurt Stock Exchange.

Impact Silver means IMPACT Silver Corp. (TSX-V:IPT / FSE:IKL), a company registered in British Columbia, Canada.

Key Management Personnel has the meaning given in the accounting standards issued by the Australian Accounting Standards Board. It includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company or, if the Company is part of a consolidated entity, the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting or **General Meeting** means the general meeting of Shareholders convened by the Notice.

MLAZ means Minera Latin American Zinc S.A.P.I. de C.V., being the operating entity for the Plomosas Project.

Notice means this notice of General Meeting.

Option means an option to acquire a Share.

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

Plomosas Project means the zinc-lead-silver mining project in Mexico owned by the Company (via its ownership of MLAZ), including the associated mining tenements, equipment and information.

Proxy Form means the proxy form attached to or accompanying the Notice.

Relevant Executive means Bradley Marwood or Anthony Italiano (as applicable).

Resolution means a resolution referred to in the Notice.

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

Shareholder means the registered holder of a Share.

TSX-V means the TSX Venture Exchange Inc. or the market operated by it, as the context requires.

US\$ means United States dollars.

Schedule 1 – Pro Forma Balance Sheet

	30 June 2022 (US\$)	Adjustments (US\$)	Pro forma (US\$)
Assets			
Current assets			
Cash & cash equivalents	669,438	2,413,480	3,082,918
Trade & other receivables	1,091,814	(1,050,764)	41,050
Inventory	632,419	(632,419)	-
Financial assets	1,976	1,500,000	1,501,976
Total current assets	2,395,647	2,230,297	4,625,944
Non-current assets			
Property, plant & equipment	1,707,651	(1,707,651)	-
Mine and development property	1,157,372	(1,157,372)	-
Financial assets	-	1,500,000	1,500,000
Total non-current assets	2,865,023	(1,365,023)	1,500,000
Total assets	5,260,670	865,274	6,125,944
Liabilities			-
Current liabilities			
Trade & other payables	3,032,088	(2,895,598)	136,488
Provision for annual leave	106,431	-	106,431
Total current liabilities	3,138,517	(2,895,598)	242,919
Non-current liabilities			
Provisions for long service leave	20,266	-	20,266
Provisions	38,801	(38,801)	-
Total non-current liabilities	59,067	(38,801)	20,266
Total liabilities	3,197,584	(2,934,399)	263,185
Net assets	2,063,957	3,799,673	5,863,630
Equity			
Issued capital	37,755,308	-	37,755,308
Reserves	(7,178,677)	7,178,677	-
Accumulated losses	(28,512,674)	(3,379,004)	(31,891,678)

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (AWST) on Saturday, 18 March 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
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