



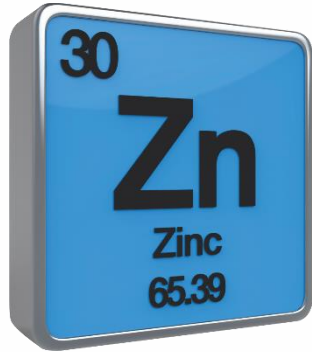
CONSOLIDATED ZINC LTD

REVIVING A HIGH GRADE ZINC MINE

CZL Annual General Meeting 30 November 2016

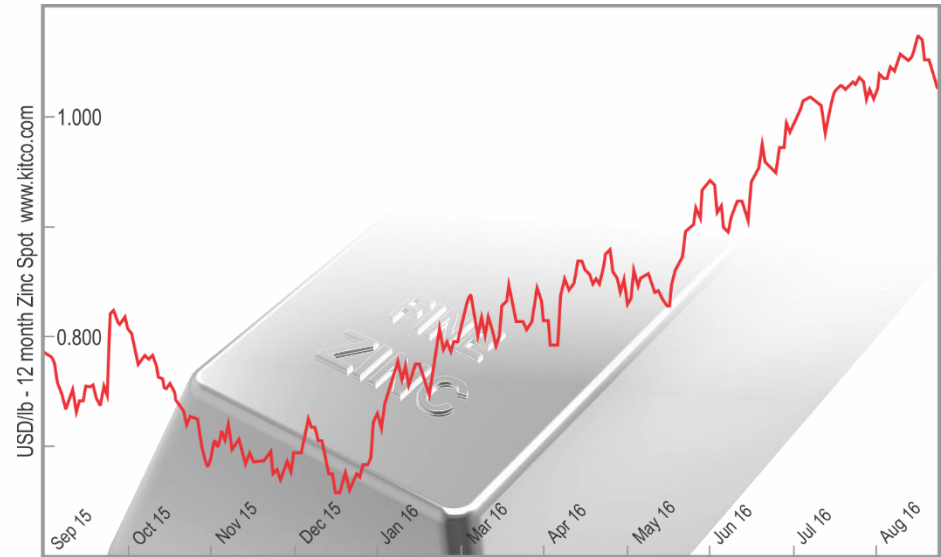


ZINC IS IN SHORT SUPPLY



**BEST PERFORMER
LONDON
METALS EXCHANGE
(LME) 2016**

**Goldman Sachs
predicting
worldwide shortage
of zinc to increase to
360,000t in 2017**



**Chinese
infrastructure
projects driving
demand**

**LME warehouse
stocks are down**

GRADE IS KING



- Multiple, very high grade deposits grading **18-25% Zn+Pb + Ag**;
- Recent drilling validates and improves this;
- Drilling to establish resource tonnes – initially small but open;
- Significant exploration upside, immediate drill targets, 7km strike;
- Granted Mining Leases (to 2042);
- Established underground access to mineralization;
- Excellent infrastructure;
- Low cost and low capex mining and processing options ;
- CZL 51% ownership, next step to 80%, rights to acquire 100% .



LOCATION



Plomosas Location

- 2 hour flight from Dallas/Houston;
- 110 Km from Chihuahua City (95Km on state highway);
- 7 Km from established grid power.

Chihuahua Province

- World class mining province;
- Experienced work force;
- Safe working environment;
- The country's largest zinc producing state.

Mexico

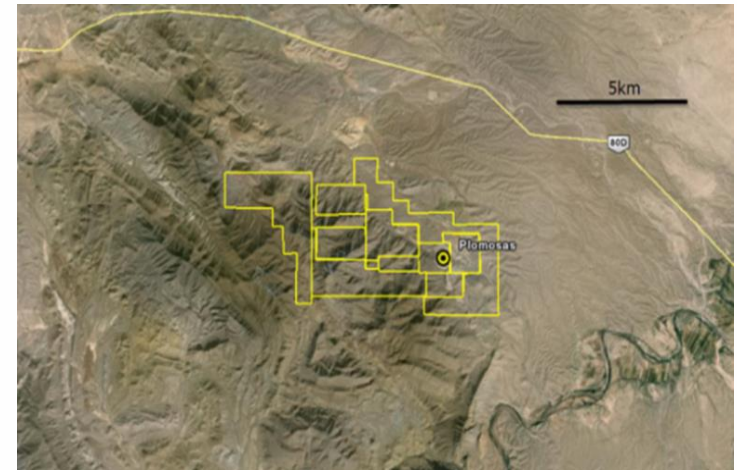
- Favourable regulatory environment allows 100% ownership for foreign companies;
- Ranked #5 in world for mining investment (2015);
- Ranked #6 for zinc production (2014).



HISTORY 1945-1974



- Grupo Mexico operated until 1974, Mined 2.5Mt ore at 24% Zn+Pb and 80g/t Ag
- Martinez family owned since 1978
- Intermittent remnant mining since 1978 focused only on mineralisation above level 5 (131mbs)
- Not dewatered 1980 - 2015
- 3 shafts and multiple declines established and capable of extracting up to 1,000tpd (SRK report)
- **Historical concentrate information indicates very clean product and good recovery**
 - No deleterious elements (cadmium, mercury, arsenic etc)
 - Highly sought after as a blending concentrate
 - Metals traders banging down the door



CZL – FIRST 17 MONTHS

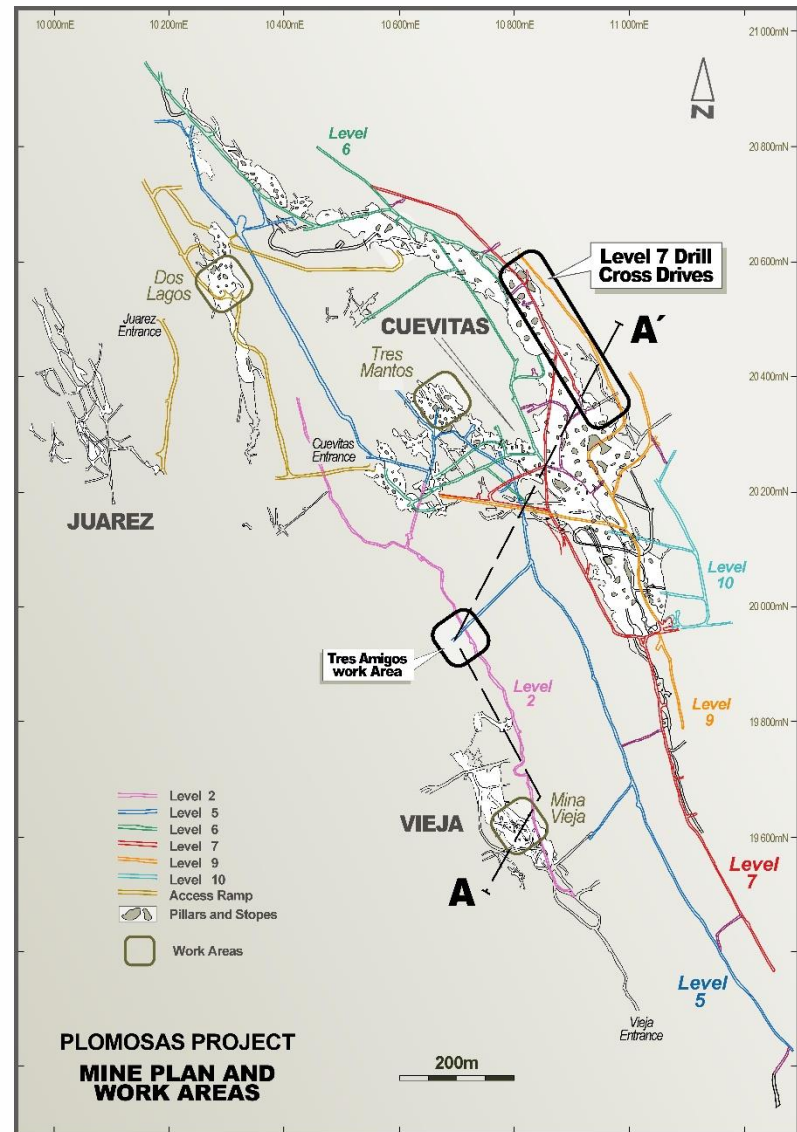


- **Completed whole of mine dewatering**
- Ongoing geological mapping, sampling and surveying – building on 3D model
- Identified new mineralization in footwall – Tres Amigos (TA)
- Completed drilling TA from underground phase 1 – high grades, variable thickness
- Surface drilling ongoing to determine dip and strike extensions
- Rehab complete in Level 7, developed 6 additional drives and cuddies for drilling positions
- **Significant mineralization confirmed below Level 7 – significant de-risking step**
- Initial metallurgical sampling complete
- Drilling ongoing from multiple positions
- **Commenced regional exploration**



EXPLORATION AREAS

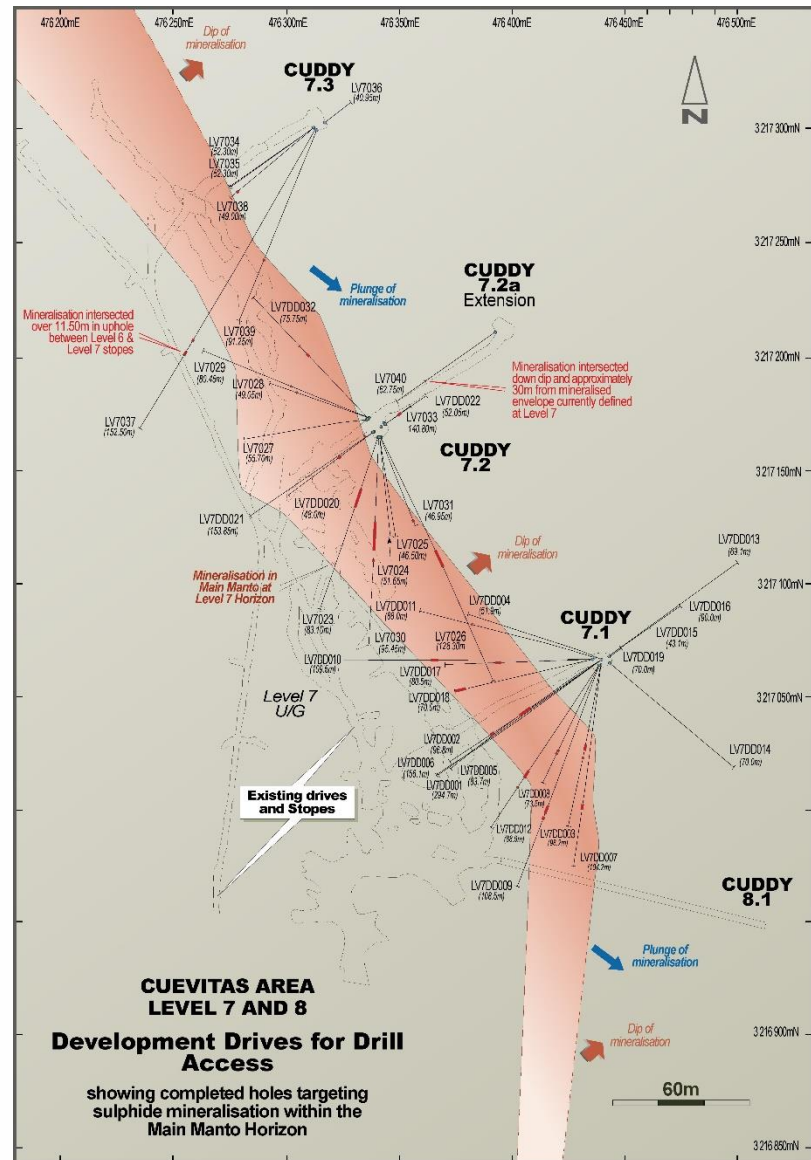
- Underground sampling areas showing the widespread nature of the high grade mineralization;
- Importantly no exploration drilling has been carried out below Level 7 and sub-levels
- Multiple target areas but focus TA and Deeps;
- Additional targets around the Juarez and Vieja mine areas – possible link up with Tres Amigos;
- New areas identified internal to the mine development with unmined ore;
- Extensions to the south-east.



LEVEL 7 – DRILLING PLATFORMS



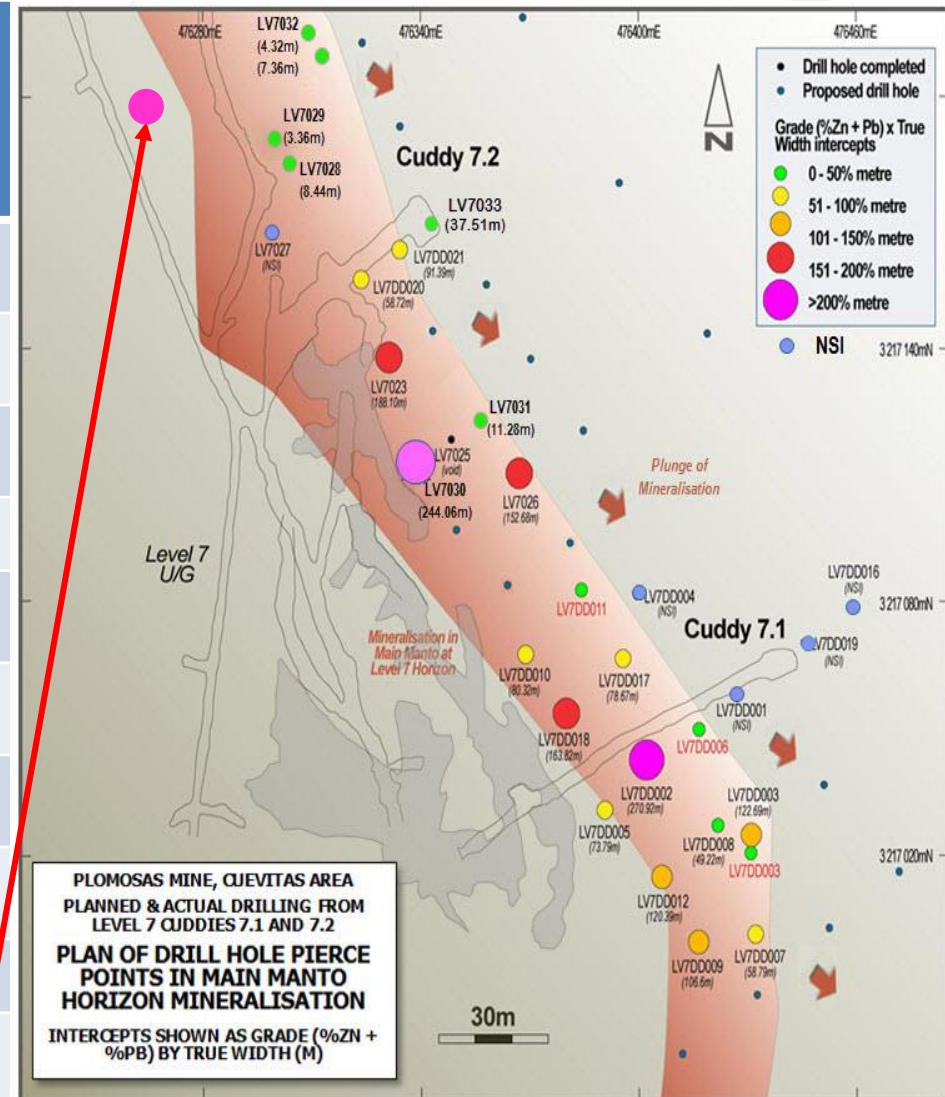
- 6 drilling positions to test for extensions of mineralisation below Level 7;
- Phase 1 drilling from L7.1, L7.2a and L7.3 complete, rig currently in L7.2b and L8.1 – excellent results achieved so far;
- Development in L7.4 complete and L7.5 in progress;
- New positions L7.4 and L7.5 positioned to target mineralisation between levels 6 and 7 in area of un-mined mineralisation;
- Position 8.1 drilling intersected mineralisation in multiple positions down hole;
- Grades up to 85% combined Zn and Pb and commonly +35% combined;
- Initial JORC resource December 2016.



LEVEL 7 – DRILLING RESULTS



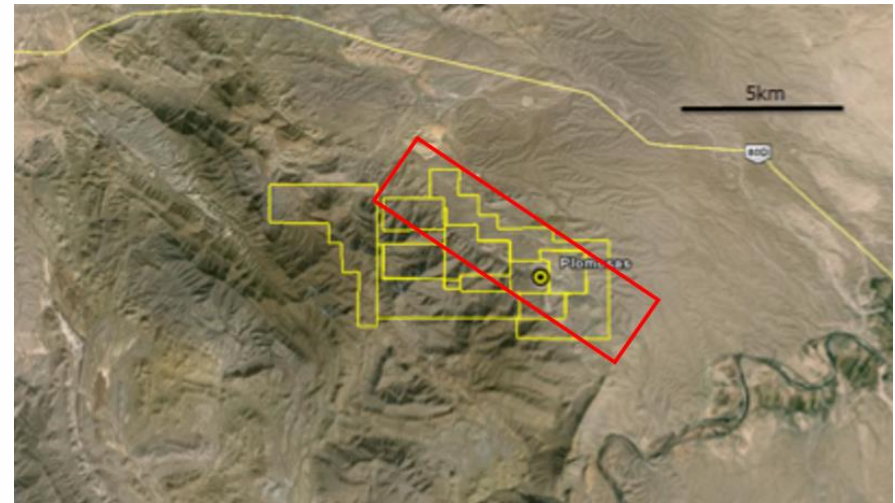
Hole ID	From (m)	To (m)	Width (m)	TW* (m)	Zn %	Pb %	Ag g/t
LV7DD002	45.25	52.00	6.75	6.15	30.13	12.67	94.20
LV7DD003	50.20	53.10	2.90	2.45	34.52	14.95	89.99
LV7DD007	71.60	74.25	2.65	2.00	18.42	10.12	60.77
LV7DD010	67.50	70.65	3.15	2.80	37.86	4.18	48.96
LV7DD012	57.15	61.25	4.10	3.30	25.20	12.66	70.73
LV7DD018	57.60	62.15	4.55	3.36	33.72	14.32	82.29
LV7DD023	24.85	33.6	8.75	5.02	25.80	11.82	53.60
LV7DD026	59.3	67.8	8.50	3.02	34.99	15.40	158.52
LV7DD030	38.25	52.05	13.8	6.25	24.97	14.07	71.78
LV7DD037	112.80	114.4	1.60	0.71	36.11	11.75	40.40



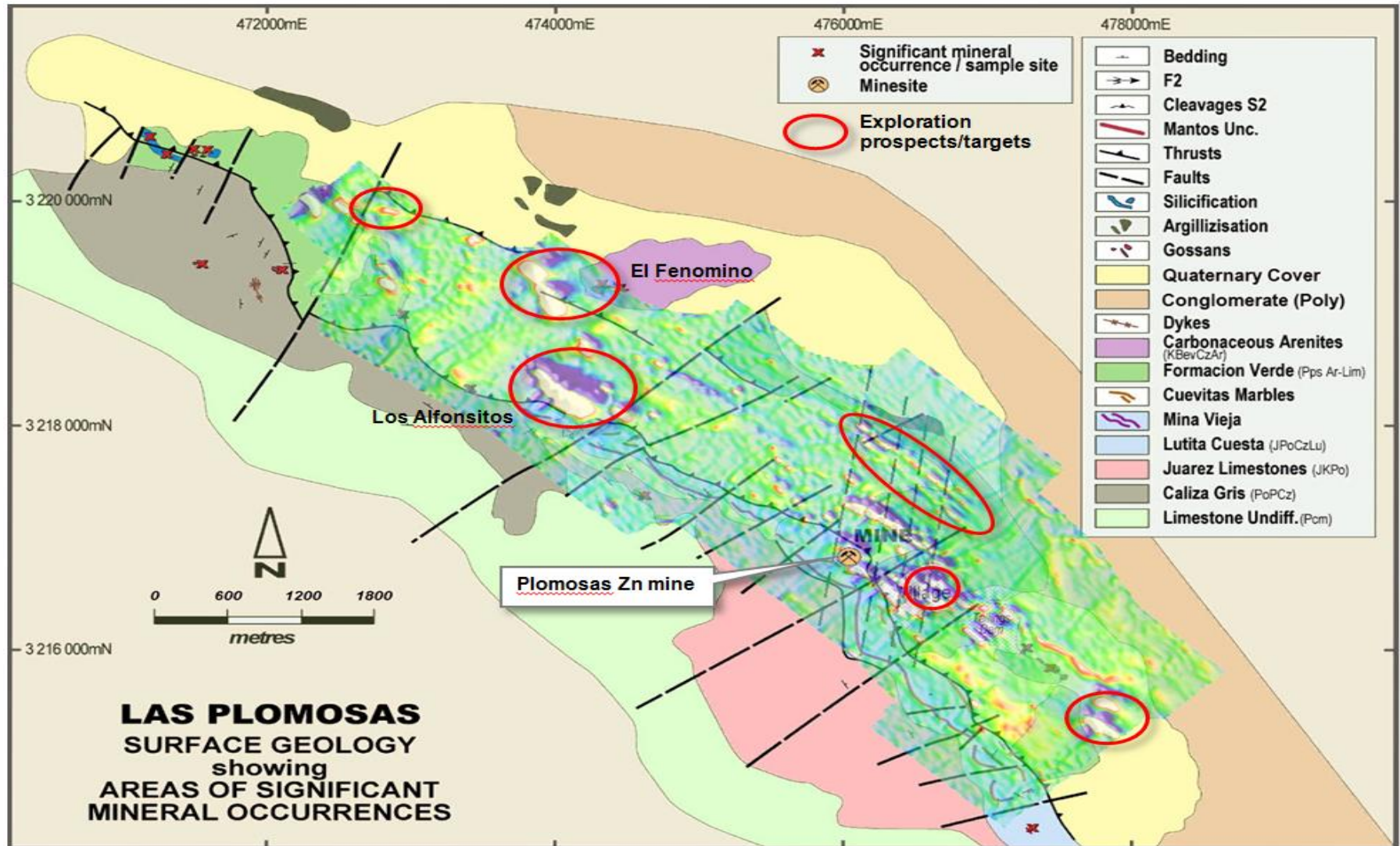
REGIONAL EXPLORATION



- Regional Magnetics and Gravity Surveys recently completed;
- Coverage focussed over the immediate mine corridor and parallel manto units;
- Geological mapping and prospecting to provide context to geophysics;
- Walk up drill targets immediately south-east and also north-west along strike from Plomosas in the mine stratigraphy.
- Multiple zones of anomalism well away from the mine area including the El Fenomino area where +5% Zn and Pb has been identified in gossanous samples;



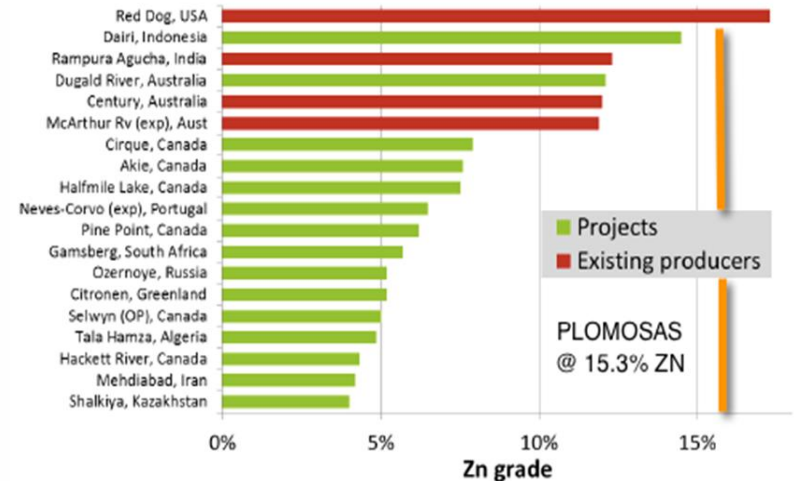
REGIONAL TARGETS



HOW DOES PLOMOSAS COMPARE?



- Zinc grade higher than most deposits and competes with world class producers
- Silver content offers significant credits to reduce operating costs
- Profitable size and grade
- The Plomosas style and size of Zn-Pb-Ag deposit has been highly profitable around the world including
 - Chihuahua region (eg Naica, Santa Eulelia)
 - Lennard Shelf, WA



Lennard Shelf Resources (December 2000)					
Deposit	Tonnes	Zn %	Pb %	Zn+Pb%	Ag
Cadjebut	5,215,000	11.2	3.2	14.4	<10g/t
Cadjebut Splay Fault	390,000	1.4	14.4	15.8	<10g/t
Goongewa	2,571,000	8.5	2.8	11.3	40g/t
Kapok/Kapok E	4,636,000	9.4	8.6	18.0	10-15g/t
Kapok West	1,220,000	4.3	9.0	13.3	10-15g/t
Kutarta	2,340,000	7.2	0.5	7.7	40g/t
CADJEBUT TREND	16,372,000	8.9	5.0	13.9	
Pillara	18,786,000	7.8	2.6	10.4	15-20g/t
Napier Range	590,000	8.5	8.0	16.5	75g/t
Fossil Downs	1,460,000	10.1	1.6	11.7	30g/t
TOTAL	37,208,000	8.4	3.7	12.1	

PILOT PLANT OPTION



Pilot plant on site built by Trafigura in 2006 and last operated in 2011

- Nameplate 120tpd
- **Upgradeable to 200 tpd (75,000 tpa) – SRK due diligence report (US\$1M)**
- Opportunity for early production from Tres Amigos
- Potential to fund exploration from level 7 from near term cash flow
- All subject to further drilling, resource and scoping study work Q1 2017



THE COMPANY



Capital Structure (ASX:CZL)

Shares on issue (approx)	429,873,513
Total unlisted options on issue	178,062,502
Available Funds (Sept. 30)	\$2.6 million
Share Price	\$0.030
Approx Market Cap (undil)	\$12.0 million
EV	\$9.4 million

Major Shareholders

Copulos Group	19.9%
Farjoy Pty Ltd	9.9%
Retzos Group	8.2%
Mexican Vendors	3.1%

Board and Management

- **Stephen Copulos** – Non Executive Chairman
- **Will Dix** – Managing Director
- **Andrew Richards** – Executive Director
- **Luis Rogelio Martinez Valles** – Non Exec Director
- **Andrew Beigel**– Company Secretary
- **Steve Boda** – Exploration Manager



IMPORTANT NOTICE



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Statements regarding Consolidated Zinc Limited's plans with respect to its mineral concessions and the outlook for certain commodities are forward looking statements. There can be no assurance that Consolidated Zinc Limited plan to develop these mineral concessions, nor will it be able to confirm the presence of economically viable deposits or additional mineral deposits in the future.

This document does not constitute in any way an offer or invitation to subscribe for securities in Consolidated Zinc Limited pursuant to the Corporations Act.

CAUTIONARY STATEMENT:

The potential quantity and quality of the exploration targets identified in this announcement are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves published by the Joint Ore Reserve Committee 2012 ("JORC Code 2012"). Furthermore, it is uncertain if further exploration at its exploration targets will result in the determination of a mineral resource.

The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the exploration target itself will be realised.

COMPETENT PERSONS' STATEMENT:

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Mr Andrew Richards BSc (Hons), Dip Ed, MAusIMM, MAIG, MSEG, GAICD who is a Member of the Australasian Institute of Mining and metallurgy (AusIMM) and Institute of Geoscientists (AIG). Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



CONSOLIDATED ZINC LTD

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T: +61 8 9322 3406

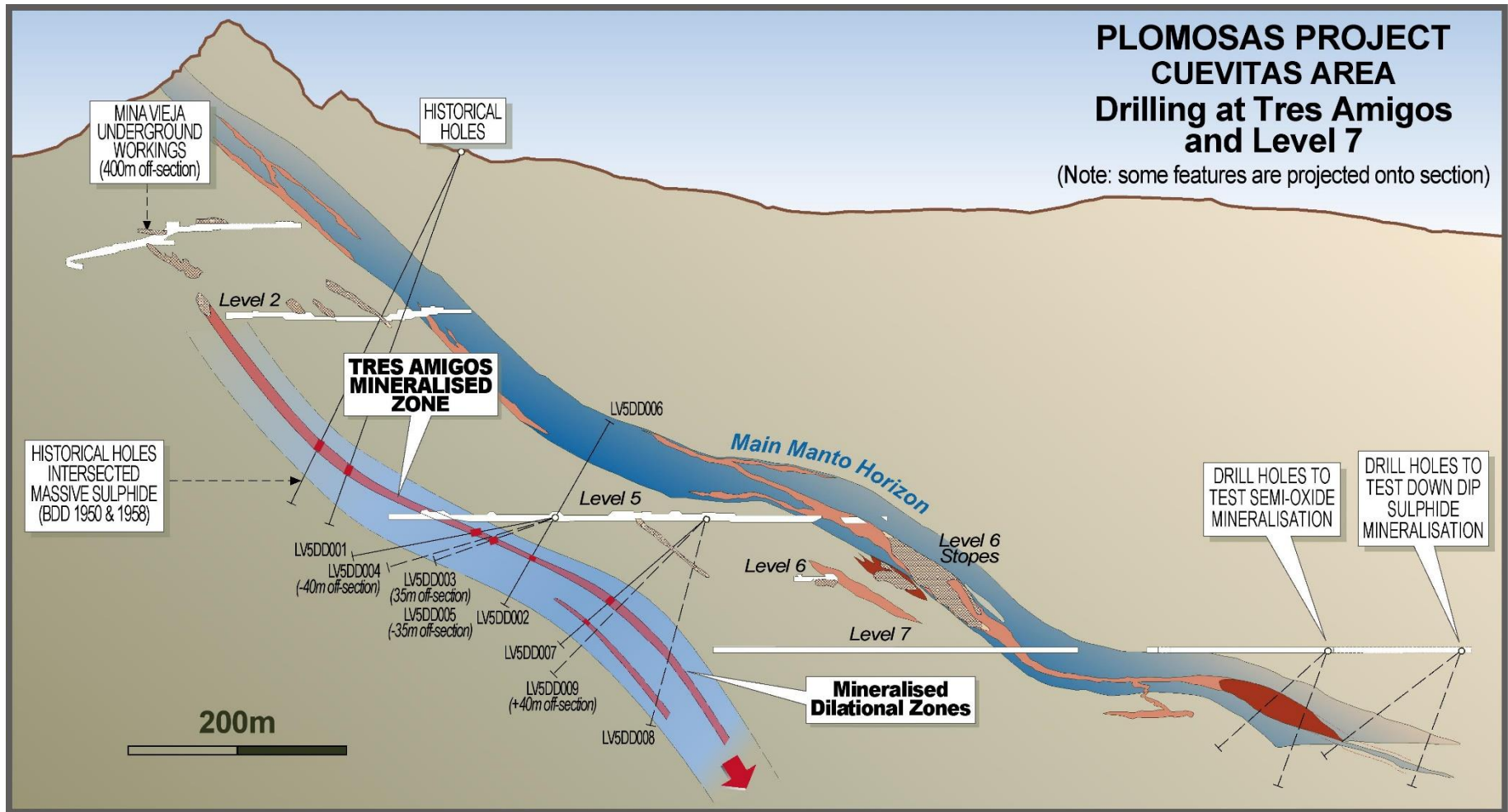
E: wdix@conzinc.com.au

www.consolidatedzinc.com.au

Appendix – Additional Information



Additional Info



Plomosas – Mining Features



Mine infrastructure	Excellent condition, some u/g rehab required and additions for short term production (shaft refurb, equipment upgrade).
Production rate (e)	Current infrastructure can handle 1,000 tpd from multiple headings.
Mining method	Cut and fill method or up hole stoping expected to maximise ore recovery.
Operating costs	Comparison & estimates suggest opex will be low (tbc by FS).
Upside potential/Mine life	Prospectivity for additional high grade resources have been re-affirmed - minimum 10 year mine life targeted.
Immediate targets	Ongoing exploration and resource definition programs in the Tres Amigos zone and at depth in sulphide and semi oxide zones.



Plomosas – Processing features



Processing plant	Current plant is pilot scale – can be upgraded to 200tpd but a larger full scale operation requires a new concentrator.
Plant upgrade	Low capex to upgrade current plant – US\$900.
Concentrate	Historically very clean – Zn-Pb-Fe-Ag with very minor other elements. High recoveries and desirable blending properties.
Process water	Groundwater neutral and benign (pH 6.74).
Permitting upgrade	Full permitting expected to take around 6 months from submission.



Directors and Management



CHAIRMAN

Mr Stephen Copulos

Over 30 years experience in business and investments and over 16 years experience as a company Director of both listed and unlisted entities. He is the major shareholder of Consolidated Zinc Limited and Chairman of Crusader Resources (ASX:CAS) and Black Rock Mining Ltd (ASX:BKT).

MANAGING DIRECTOR

Mr Will Dix

A geologist with over 23 years international experience including as a Company Director in listed and unlisted companies. A proven track record of bringing projects from exploration to production and in funding junior resource companies.

EXECUTIVE DIRECTOR

Mr Andrew Richards

Over 30 years experience as a geologist including senior management roles and project finance. Andrew has extensive international experience and has been on the boards of several unlisted and listed companies on the ASX and AIM.

NON-EXECUTIVE DIRECTOR

Mr Luis Rogelio Martinez Valles

Mr Martinez is a mining entrepreneur with 40 years' experience in industrial minerals, base and precious metals. He holds an Industrial Engineer qualification from Chihuahuas Tech, with a Masters in Business Administration from Nuevo León University, and a Member of the Mining Association of Chihuahua.

COMPANY SECRETARY

Mr Andrew Beigel

Mr Beigel has more than fifteen years' corporate experience across a range of industries and has held executive positions with other ASX listed companies in the resources sector. He holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia.

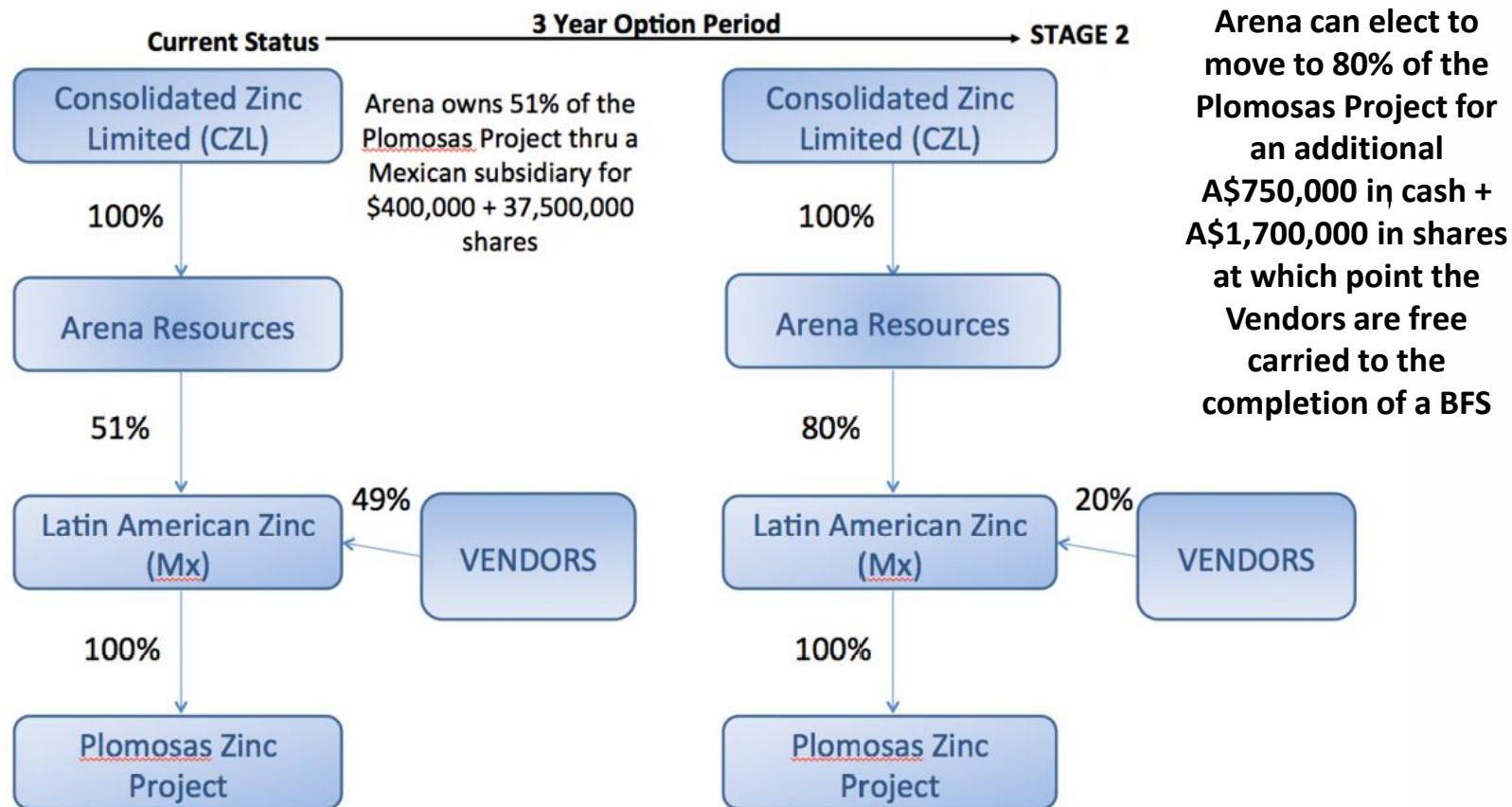
EXPLORATION MANAGER

Mr Steve Boda

Mr Boda has 25 years experience in exploration and occupied senior management roles with mining and exploration in Australia, China, SE Asia and Zambia. He has a track record in using structural geology to target economic mineralisation across a variety of commodities and estimation of JORC resources.



Acquisition terms



Upon completion of a BFS, the vendors contribute or dilute or

- 1) MX 10% can be purchased by CZL for 10% of valuation of asset (at CZL election)
- 2) Arena 10% is a put/call for 10% of the EV of CZL (MC - \$\$ in bank)

