

29 May 2017

Capital Raising Update

Further to the Company's announcement of 24 May 2017, and as a consequence of the significant demand from shareholders and sub-underwriters for the Rights Issue Shortfall, Consolidated Zinc Limited (ASX:CZL) has elected to satisfy most of the additional demand by taking an additional \$1.25 million by way of an exempt placement of shares, utilising the Company's existing placement capacity under Listing Rule 7.1 and 7.1A.

The additional funds raised will be applied to working capital and will provide the Company with the flexibility to accelerate exploration plans as well as complete the Scoping Study and permitting requirements for re-conditioning the on-site plant facility.

Consolidated Zinc Managing Director Will Dix commented: *"The Company is now well positioned to complete the Scoping Study; continue advancing exploration within the mine environment and, commence the testing of regional targets. The ongoing support of our major Shareholders is greatly appreciated as is the assistance from Patersons Securities in completing the placement so quickly."*

The Appendix 3B and cleansing notice follows.

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX:CZL) is a minerals exploration company listed on the Australian Securities Exchange. The Company's major focus is in Mexico where it recently acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project through its majority owned subsidiary, Minera Latin American Zinc CV SAPI. Historical mining at Plomosas between 1945 and 1974 extracted over 2 million tonnes of ore grading 22% Zn+Pb and over 80g/t Ag. Only small scale mining continued to the present day and the mineralised zones remain open at depth and along strike. The Company's main focus is to identify and explore new zones of mineralisation within and adjacent to the known mineralisation at Plomosas with a view to identifying new mineral resources that are exploitable.

29 May 2017

Section 708 Notice

CONSOLIDATED ZINC LIMITED (ASX: CZL) - SECONDARY TRADING NOTICE PURSUANT TO SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (“**Act**”).

The Company has issued shares in the capital of the Company as per the attached Appendix 3B lodged with the ASX.

The Company advises that the shares were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

For and on behalf of Consolidated Zinc Limited

Andrew Beigel
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Consolidated Zinc Limited

ABN

27 118 554 359

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 139,234,383
(b) 45,270,055
(c) 80,445,621 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <p>) the date from which they do</p> <p>) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</p> <p>) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>	Yes
5	Issue price or consideration	\$0.016 per share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funding for scoping study and permitting, ongoing resource definition drilling and exploration and general working capital.</p> <p>(a) Shares issued pursuant to the Rights issue undertaken by the Company announced to ASX on 1 May 2017, as entitlement shares and shortfall shares subscribed for.</p> <p>(b) Shares were issued as underwritten shortfall shares pursuant to the Rights issue undertaken by the Company.</p> <p>(c) Shares issued to institutions and sophisticated investors</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2016

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	40,445,621
6d	Number of +securities issued with security holder approval under rule 7.1A	40,000,000
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	184,504,438
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes, issue price \$0.016 on 29 May 2017. 15 day VWAP was \$0.01863 (Source: IRESS)
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 capacity – 56,419,253 7.1A capacity – 24,576,583
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	29 May 2017

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	726,211,447 Fully Paid Ordinary Shares

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	22,437,500 Options (\$0.064, 6 March 2018) 4,000,000 Options (\$0.06, 20 July 2018) 126,172,002 Options (\$0.06, 31 Dec 2018) 7,500,000 Options (\$0.06, 5 June 2020) 1,666,667 Performance Rights (expire 30 June 17) 1,666,666 Performance Rights (expire 30 June 18) 5,000,000 Performance Rights (expire 30 Sept 19)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	Two (2) new shares for every five (5) shares held
14	+Class of +securities to which the offer relates	Ordinary Fully Paid Shares
15	+Record date to determine entitlements	5 May 2017

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	All jurisdictions other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	19 May 2017
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	\$207,124
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	No
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	10 May 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A

28	Date rights trading will begin (if applicable)	4 May 2017
29	Date rights trading will end (if applicable)	12 May 2017
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Eligible shareholders who wish to sell their entitlements in full on ASX must complete the section marked "Instructions to Your Broker" on their Entitlement and Acceptance Form and lodge the form with their stock broker
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>Eligible shareholders who wish to sell part of their entitlements on ASX and accept the balance must:</p> <p>(a) in respect of the part of their entitlement to be sold, complete the section marked "Instructions to Your Broker" on their Entitlement and Acceptance form and lodge the form with their stock broker; and</p> <p>(b) in respect of the part of their entitlement to be accepted, complete and return their Entitlement and Acceptance Form and follow the instructions as to payment set out in the form</p>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Eligible shareholders who wish to transfer all or part of their entitlement other than on ASX must send a completed Standard Renunciation Form (obtainable from their stockbroker or from the Company's share registry) together with their Entitlement and Acceptance Form completed by both the transferor and the transferee and follow the instructions as to payment set out in the form. The transferee's address must be in Australia or New Zealand (unless the Company agrees otherwise)
33	⁺ Issue date	29 May 2017

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state:) the date from which they do) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number N/A	+Class N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

) The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

) There is no reason why those +securities should not be granted +quotation.

) An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

) Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

) If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

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(Company secretary)

Date: 29 May 2017

Print name: Andrew Beigel

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated		
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue		290,489,291
Add the following:		
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	30 June 2016	120,150,000
	22 July 2016	7,300,000
	22 July 2016	7,177,778
	22 July 2016	4,706,444
	29 July 2016	1,174
	4 January 2017	31,436,701
	29 May 2017	184,504,438
“A”		645,765,826

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”		
“B”	0.15 <i>[Note: this value cannot be changed]</i>	
Multiply “A” by 0.15		96,864,874
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used		
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	29 May 2017	40,445,621
“C”		40,445,621
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1		
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>		96,864,874
Subtract “C” <i>Note: number must be same as shown in Step 3</i>		40,445,621
Total [“A” x 0.15] – “C”		56,419,253
	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>	

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	645,765,826
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	64,576,583
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	40,000,000
“E”	40,000,000

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	64,576,583
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	40,000,000
Total [“A” x 0.10] – “E”	24,576,583 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.