
CONSOLIDATED ZINC LIMITED
ACN 118 554 359

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at Suite 1, Level 1,
35 Havelock Street, West Perth WA 6005 on 28 November 2017 at
10.00am (AWST).**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9322 3406.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Consolidated Zinc Limited (**Company**) will be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005 on 28 November 2017 at 10.00am (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 November 2017 at 10.00am (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or

- (b) the person is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Stephen Copulos

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

“That Mr Stephen Copulos, who retires in accordance with clause 13.2 of the Constitution, being eligible and offering himself for re-election, be re-elected as a director of the Company with immediate effect.”

3. Resolution 3 – Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of convertibility of part of the Copulos Group Convertible Loan

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 10.11 and for all other purposes, Shareholders approve and authorise up to \$430,000 of the Copulos Group Convertible Loan held by the Copulos Group

Companies to be convertible into up to 26,875,000 Shares (Copulos Group Conversion Shares) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Copulos Group Companies and their nominees, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 27 October 2017

BY ORDER OF THE BOARD

Andrew Beigel
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005 on 28 November 2017 at 10.00am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

Proxy Forms have been sent out with this Notice.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with sections 250BD and 250R of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if:

- (a) the person is either:

- (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.consolidatedzinc.com.au or by contacting the Company on (08) 9322 3406.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions or make comment on the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a

Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rules**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's 2016 Annual General Meeting the remuneration report was approved by over 75% of Shareholders present and voting.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, 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.

5. Resolution 2 – Re-election of Mr Stephen Copulos

Resolution 2 seeks approval for the re-election of Mr Stephen Copulos.

Clause 13.2 of the Company's Constitution provides that, at every Annual General Meeting, one third of the Directors for the time being (rounded up to the nearest whole number but not exceeding one third of the Directors) must retire from office and are eligible for re-election. Accordingly, Mr Copulos retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr Copulos has over thirty five years' experience in a variety of businesses and investments across a wide range of industries including mining, manufacturing, property development, food and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997 and has extensive experience as a company director of both listed and unlisted public companies in Australia, New Zealand, the UK and USA.

The Board (other than Mr Copulos) unanimously supports the re-election of Mr Copulos.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Company intends to continue to expand and accelerate the Company's existing business activities (including expenses associated with further tests in relation to the Company's existing projects) and to pursue other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions). The Company may use the 10% Placement Facility for these purposes and for general working capital.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A is the number of shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

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).

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price of \$0.015.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.0075 50% decrease in Issue Price	\$0.015 Issue Price	\$0.030 100% increase in Issue Price
Current Variable A 429,824,687 Shares	10% voting dilution	72,621,145	72,621,145	72,621,145
	Funds raised	\$544,659	\$1,089,317	\$2,178,634
50% increase in current Variable A 644,737,030 Shares	10% voting dilution	108,931,717	108,931,717	108,931,717
	Funds raised	\$816,988	\$1,633,976	\$3,267,952
100% increase in current Variable A 859,649,374 Shares	10% voting dilution	145,242,289	145,242,289	145,242,289
	Funds raised	\$1,089,317	\$2,178,634	\$4,357,269

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.

- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) As at the date of this Notice, there are currently 726,211,447 Shares on issue.
- (viii) The issue price is \$0.015, being the closing price of the Shares on ASX on 25 October 2017.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) as cash consideration to fund exploration programs associated with its current projects including the Plomosas Project in Chihuahua, Mexico;
 - (ii) as cash consideration to undertake due diligence as required and to potentially fund the acquisition of new assets that may be considered complimentary in nature to those assets currently held by the Company and for additional working capital purposes; or
 - (iii) as non-cash consideration for the acquisition of assets that are complimentary in nature to those assets currently held by the Company (in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets, technology or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets, technology or investments.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2016 AGM held on 30 November 2016.
- (g) In the 12 months preceding the date of the Meeting the Company issued a total of 301,386,760 Equity Securities which represents 50.62% of the total number of Equity Securities on issue at 28 November 2016. The Equity Securities issued in the preceding 12 months are set out in Schedule 1.
- (h) The Company's cash balance on 28 November 2016 was approximately \$1,530,000. Cash raised from issued in the previous 12 months totals \$5,182,302 (before costs). The Company's cash balance at the date of this Notice is approximately \$610,000. Approximately \$6,102,302 has been used in relation to drilling and development of the Plomosas Zinc project as well as on exploration and for general working capital purposes. The Company's remaining funds are intended to be applied to further development of the Plomosas Zinc project and for general working capital.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7. Resolution 4 – Approval of convertibility of part of the Copulos Group Convertible Loan

7.1 General

On 12 October 2015, the Company entered into a convertible loan facility with the Copulos Group Companies (**Copulos Group Convertible Loan**) to fast track the drilling program at the Plomosas Project in northern Mexico.

The key terms of the Copulos Group Convertible Loan are as follows:

- \$1,000,000 total facility with \$500,000 available immediately on establishment;
- the facility has a maturity date of 31 December 2017;
- subject to Shareholder approval, the Company will pay a fixed fee of 3,000,000 Shares as both interest and a facilitation fee to the Copulos Group Companies; and

- subject to Shareholder approval, the facility will convert, at the option of the Copulos Group Companies, to Shares at the same price as the Company's most recent capital raising.

The Company has drawn down the full \$1,000,000 under the Copulos Group Convertible Loan and issued the fee Shares pursuant to Shareholder approval obtained on 25 November 2015. At this time the Company is only seeking Shareholder approval for the conversion of up to \$430,000 of the Copulos Group Convertible Loan into Shares.

The Company's most recent capital raising was completed on 29 May 2017 at an issue price of \$0.016 per Share. Based on this issue price, up to \$430,000 of the Copulos Group Convertible Loan will convert into up to 26,875,000 Shares at the option of the Copulos Group Companies. If the Company completes a capital raising at a different price prior to conversion of the Copulos Group Convertible Loan, the total face value of the Copulos Group Convertible Loan that will be satisfied by the issue of up to 26,875,000 Shares may change.

Resolution 4 seeks the approval of Shareholders under Listing Rule 10.11 for the issue of up to 26,875,000 Shares to the Copulos Group Companies (and/or their nominees) on conversion of \$430,000 of the Copulos Convertible Loan.

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Copulos Group Conversion Shares as approval is being obtained under Listing Rule 10.11.

Each of the Copulos Group Companies is a related party of the Company by virtue of being controlled by a Director of the Company, Mr Stephen Copulos.

If Shareholder approval is given under Listing Rule 11.11 for issue of Shares on conversion of the Copulos Convertible Loan, approval is not required under Listing Rule 10.11 for the issue of the Copulos Group Conversion Shares to the Copulos Group Companies pursuant to exception 7 of Listing Rule 10.12.

Resolution 4 is an ordinary resolution.

7.2 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Copulos Group Conversion Shares:

- (a) The Copulos Group Convertible Loan has been entered into with, and will be convertible by, the Copulos Group Companies.
- (b) Up to \$430,000 of the total \$1,000,000 (in aggregate) drawn down under the Copulos Group Convertible Loan will be convertible, at the option of the Copulos Group Companies, into a maximum of up to 26,875,000 Shares (at an effective price of \$0.016 per Share, being the same issue price under the Company's most recent capital raising completed on 29 May 2017). If the Company completes a capital raising at a different price prior to conversion of the Copulos Group Convertible Loan, the total face value of the Copulos Group Convertible Loan that will be satisfied by the issue of up to 26,875,000 Shares may change.

- (c) The Copulos Group Conversion Shares will be are fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's other existing Shares on issue.
- (d) Further terms and conditions of the Copulos Group Convertible Loan are set out in Section 7.1.
- (e) Each of the Copulos Group Companies are a related party of the Company by virtue of being controlled by Director, Mr Stephen Copulos.
- (f) The Copulos Group Conversion Shares may be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules). It is expected that all of the Copulos Group Conversion Shares will be issued on the same date following an election by the Copulos Group Companies to convert up to \$430,000 of the Copulos Group Convertible Loan.
- (g) The funds raised from the issue of the Copulos Group Convertible Loan has been used to fast track the drilling program at the Plomosas Project and for general working capital purposes.
- (h) A voting exclusion statement is included in the Notice

8. Definitions

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.2(f)

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

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2016.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting.

Citywest Corp means Citywest Corp Pty Ltd ACN 081 721 413 ATF Copulos (Sunshine) Unit Trust.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Consolidated Zinc Limited ACN 118 554 359.

Company Group means the Company and its 'related bodies corporate' (as that term is defined in the Corporations Act).

Constitution means the current constitution of the Company.

Copulos Group Conversion Shares has the meaning in Resolution 4.

Copulos Group Companies means Spacetime, Citywest Corp and Eyeon Investments.

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

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Eyeon Investments means Eyeon Investments Pty Ltd ACN 096 482 781 ATF Eyeon Investments Family Trust.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Spacetime means Spacetime Pty Ltd ACN 105 191 777 ATF Copulos Executive Super Fund No. 1.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Equity Securities issued in the preceding 12 months

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	<p>If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds</p> <p>If issued for non-cash consideration – a description of the consideration and the current value of the consideration⁴</p>
15 December 2016	5,000,000	Performance Rights ²	Issued to Directors under the Company's Performance Rights Plan	Issue price: Nil. Discount to Market Price: N/A.	Issued for nil cash consideration as a performance based incentive component of remuneration package. Current value - \$145,000.
4 January 2017	31,436,701	Shares ³	Issued to existing Shareholders (1 for 5 Rights Issue)	Issue price: \$0.030. Premium to Market Price: 3.4%.	The Company raised a total of \$943,101 (before costs) from the Rights Issue which has been spent on drilling, mine sustaining expenditure and development of the Plomosas Zinc project, as well as on regional exploration and for general working capital purposes.
29 May 2017	184,504,438	Shares ³	Issued to existing Shareholders (2 for 5 Rights Issue and shortfall)	Issue price: \$0.016. Discount to Market Price: 15.8%.	The Company raised a total of \$2,952,071 (before costs) from the Rights Issue which has or will be used to fund a scoping study and permitting on the Plomosas Zinc project, as well as on exploration and for general working capital purposes.
29 May 2017	80,445,621	Shares ³	Placement to various sophisticated and professional Investors	Issue price: \$0.016. Discount to Market Price: 15.8%.	The Company raised a total of \$1,287,130 (before costs) from the Placement which was pooled with the funds raised from the above Rights issue and which has or will be used to fund a scoping study and permitting on the Plomosas Zinc project, as well as on exploration and for general working capital purposes.

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises) on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Performance Rights are convertible into Shares on a one for one basis on achievement of performance milestones by 30 September 2019. The full terms and conditions of the Performance Rights are outlined in the notice of meeting (lodged with ASX on 31 October 2016) for the shareholder meeting held on 30 November 2016.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: CZL (terms are set out in the Constitution).
4. The Shares have been valued based on the Market Price. Performance Shares have been valued based on the Market Price. No account has been taken of any performance conditions included in the terms of the Performance Shares.

Consolidated Zinc Limited
ACN 118 554 359
PROXY FORM
Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Consolidated Zinc Limited and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the General Meeting of Consolidated Zinc Limited to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005 on 28 November 2017 commencing at 10.00am (AWST) and at any adjournment of that meeting.

☐

The Chairman
of the meeting

(mark with an 'X')

OR

IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do **not** wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

If the person you are appointing as your proxy is someone other than the Chairman of the meeting:
Write the name of that person in the box below.

You must specify the % of your votes that you authorise your proxy to exercise if:

If you hold 2 or more Shares in Consolidated Zinc Limited, you may appoint a second proxy:

Write the name of your second proxy in the box below.

- (a) you have only appointed 1 proxy and do not want him/her to exercise all of your votes; or
(b) if you have appointed 2 proxies under this proxy form.

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the General Meeting of Consolidated Zinc Limited to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005 on 28 November 2017 commencing at 10.00am (AWST) and at any adjournment of that meeting.

Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

General Business

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Stephen Copulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of convertibility of part of the Copulos Convertible Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1 If you mark the "Abstain" box with an "x" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

**Sole Director and
Sole Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution 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 a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand Deliveries: Suite 1, Level 1
35 Havelock Street
WEST PERTH WA 6005

Postal address: PO Box 692
WEST PERTH WA 6872

Facsimile: (08) 9320 7501 if faxed from within Australia or +61 8 9320 7501 if faxed from outside Australia