



PLOMOSAS ZINC PRODUCTION

INVESTOR PRESENTATION
September 2018



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CAUTIONARY STATEMENT

The potential quantity and quality of the exploration and operational targets identified in this announcement are conceptual in nature, and there has been insufficient exploration to date to define Ore Reserves 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"). The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a Ore Reserves 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. Mr Bradley Marwood BE Mining, FAusIMM, GAICD has sufficient experience that is relevant to the style and type of deposit under consideration and the activity that is being undertaken to qualify as a Competent Person with respect to mining activities under the 2012 JORC Code.

Directors and Management

Led by a team of highly successful experience mining professionals

CHAIRMAN	CHIEF EXECUTIVE OFFICER	EXECUTIVE DIRECTOR	NON EXECUTIVE DIRECTOR	COMPANY SECRETARY/ DIRECTOR	EXPLORATION MANAGER
Mr Stephen Copulos	Mr Brad Marwood	Mr Andrew Richards	Ms Angela Pankhurst	Mr Andrew Beigel	Mr Steve Boda
• More than 30 years' experience in business and investments • ~16 years experience as a company Director of both listed and unlisted entities • Major shareholder of CZL and Crusader Resources (ASX:CAS) and Black Rock Mining Ltd (ASX:BKT).	• Mining Engineer with over 30 years experience developing mines globally • Grown ASX junior explorers to ASX 200 listed companies • Specialist in large scale open cut and small scale underground mines in base metal and precious metals • Served with public companies for the past 20 years.	• Over 30 years' experience geologist in exploration, mine production, corporate management and project finance with an international bank • Andrew has extensive international experience and has been on the boards of several unlisted and listed companies on the ASX and AIM.	• A business manager with over 25 years experience in accounting and business management • More recently Angela acted as Chairman, Managing Director and Chief Financial Officer to listed and unlisted companies on the ASX. • Expertise in transitioning explorers to miners and has operated in numerous countries.	• More than 20 years' corporate experience across a range of industries • Held executive positions with ASX listed companies in the resources sector • Holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia.	• 25 years' experience in exploration and occupied senior management roles with mining and exploration in Australia, China, SE Asia and Zambia. • A track record in using structural geology to target economic mineralisation across a variety of commodities and estimation of JORC resources.

Zinc Air Battery

- Zinc the new Lithium ?
- Zinc Air batteries at <US\$100/kWh storage
- Simple zinc oxidation process, power stored by high efficiency electrolysis
- Unit size of brief case, simple plastic components, will not explode will not burn
- Commercial application powering 110 Villages through Asia and Africa, over 20,000 Telephone repeater in the USA
- Low cost as simple and robust storage
- 72 hour storage at stated discharge
- Argued as the new Lithium Battery
- Musk advised will drive Battery costs to \$100/kWh from \$400/kWh by 2018, is this the solution?



PLOMOSAS

Let's go mining high-grade zinc, lead and silver



Plomosas Mine

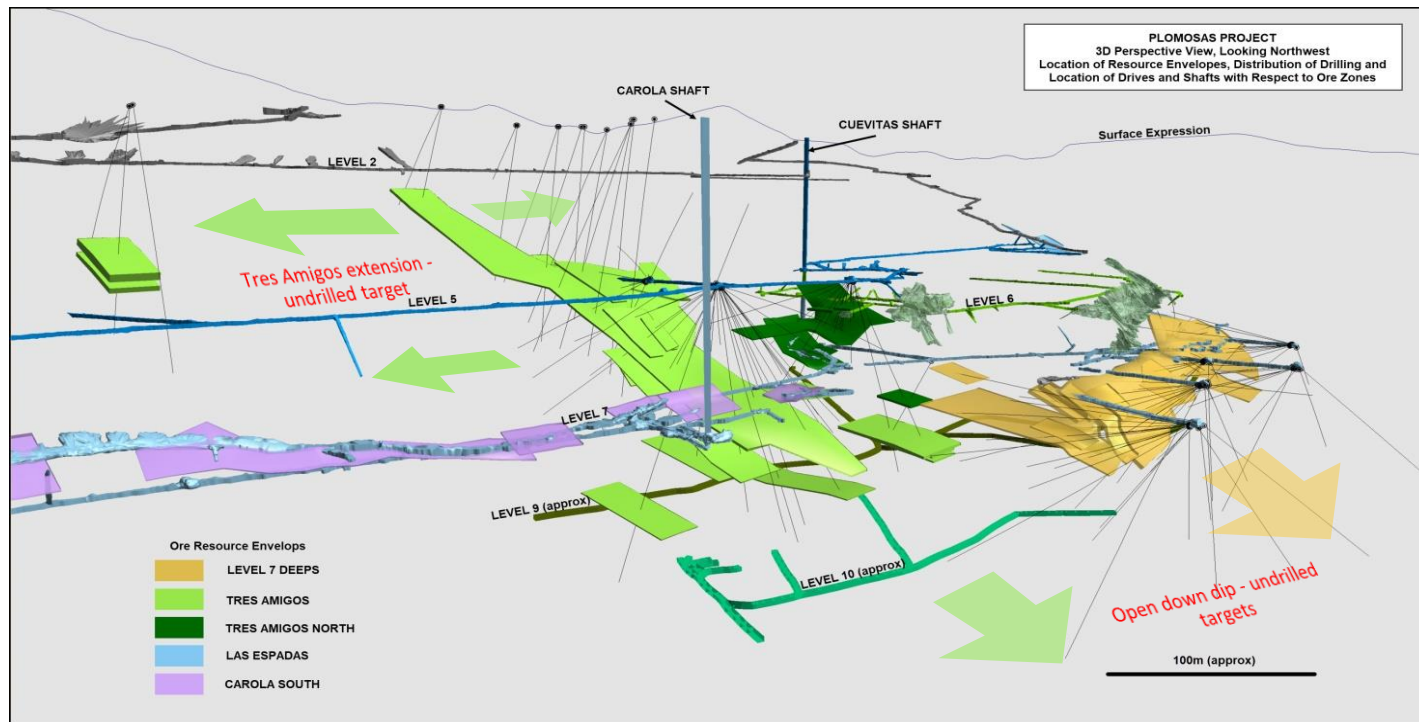
- ❖ Located in Chihuahua, Mexico – a world-class mining province
- ❖ Combined zinc and lead grades - ranked higher than most deposits worldwide
- ❖ Historic mine – excellent underground infrastructure to only 320m
- ❖ Mineralisation open at depth and along strike
- ❖ Mined for 30 years after WW2, 2.5Mt at 24% ZnEq mined, development includes: decline to 250m, shafts to 400m, secondary shafts, declines, raises and production haulage, levels at 220m and 390m below surface

To September 2018

- ❖ Mine dewatered to Level 7 (910mRL with surface at 1130mRL)
- ❖ JORC Resource of **1,178,000 tonnes @ 14.3% Zn + 2.6% Pb** (189,700t contained metal). Resource extension drilling to continue
- ❖ Detailed Costing Study completed
- ❖ Mining contractor operating, toll treatment and offtake agreement executed
- ❖ Mining and processing commenced

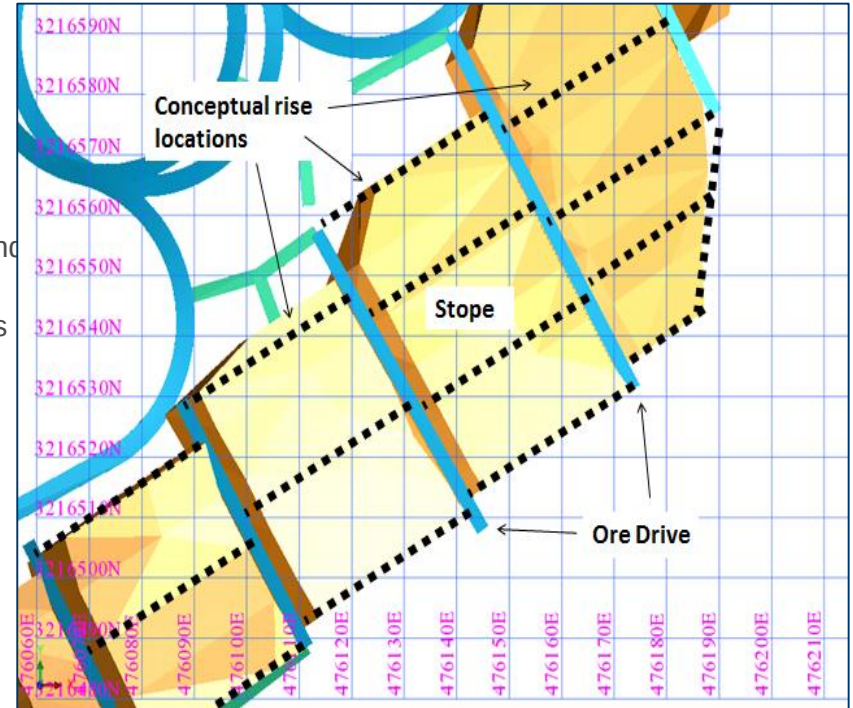


Plomosas Mine Layout



The Mine

- ❖ Mining and processing commenced in September 2018. First ore trucked to concentrator in September
- ❖ SERVIMIN has provided underground services for the past two years, knows the mine well, experienced contractor
- ❖ Local geotechnical, ventilation and mine services available
- ❖ Current mining scheduled: 445,518t at 14.3% zinc, 2.61% lead and 17 g/t silver
- ❖ Mining rate at 3,000 tpm expanding to 10,000 tpm within 9 months
- ❖ Initial haulage from decline, shaft refurbished within 9 months
- ❖ Immediate access to high-grade Tres Amigos Resources from Level 5



The Plant

- ❖ Santa Eulalia concentrator operating at 1,500,000 tpa feed capacity but has operated close to 1,000,000 tpa during the past year. Spare toll treatment capacity is up to 500,000 tpa
- ❖ Plomosas feed rate is up to 120,000tpa approximately 1/3 of available capacity
- ❖ The Santa Eulalia concentrator has a history of high recovery of >90%
- ❖ Operating costs are approximately 1/3 of the estimated Plomosas plant operating costs
- ❖ The plant will produce a zinc concentrate and a lead-silver concentrate
- ❖ Concentrates sent to Grupo Mexico smelter for zinc and Penoles smelter for lead
- ❖ The zinc smelter is located 850km from the concentrator in Mexico, halving the transport costs for alternative smelting options. Smelting costs are industry standard

- ❖ **Operating costs C1 Less than US\$0.45/lb, C3 US\$0.51/lb over 51 months**

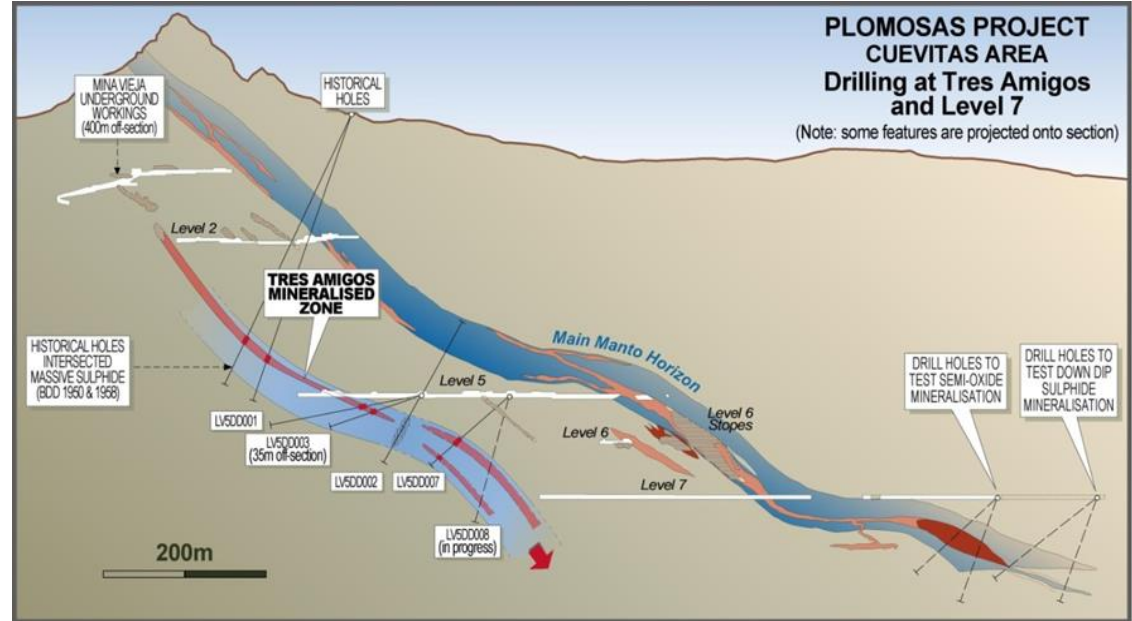
Mine Exploration Potential

Mine and regional program returning exciting results;
Expanding defined resources to support mining decisions



Plomosas Exploration

- ❖ Definition drilling Tres Amigos above Level 7
- ❖ Extension drilling Tres Amigos along strike & down dip
- ❖ Resource update Q2 2019
- ❖ Extension drilling of Tres Amigos and Orebody 32 below Level 7
- ❖ Exploration teams to complete mapping all declines shafts, adits and points of access to the known mineralisation zones over 4km
- ❖ Regional exploration along remain 3km of structure
- ❖ Develop targets through surface exploration techniques



Schematic section of stratigraphy through Plomosas and preferentially mineralised, repeating carbonate horizons

Mineralised Mine Sequence



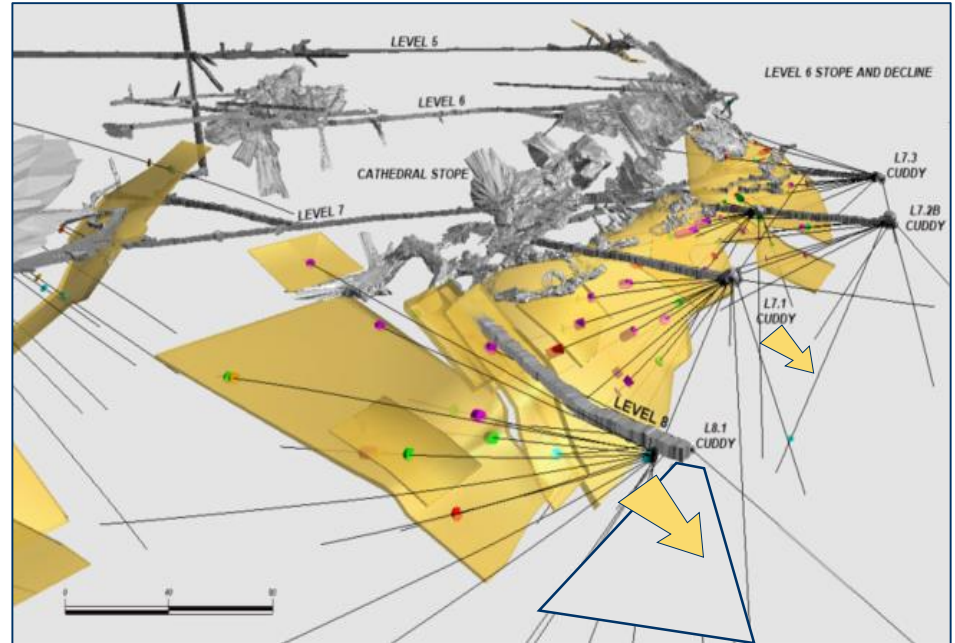
Resource Development

Resource Near term Definition

- ❖ Tres Amigos parallel zone and down dip repeat
- ❖ Use of ore strike drives to trace mineralisation to Carola South from Tres Amigos Central Zone
- ❖ Orebody 32 (Main Lode) extension below Level 7
- ❖ With access from strike drives Level 8,9 and 10 – drilling not the only option
- ❖ 4km of active mining area, focus to date on 600m along strike and 300m down dip of (4000m x 900m)

Prospects within mine/resource area

- ❖ Level 7: Orebody 32 extension open at depth below Level 9
- ❖ Carola: **Grades up to 54% Zn+Pb small scale**
- ❖ Las Espadas: Underexplored/easily accessible
- ❖ 4km strike exposure at surface



Regional Exploration

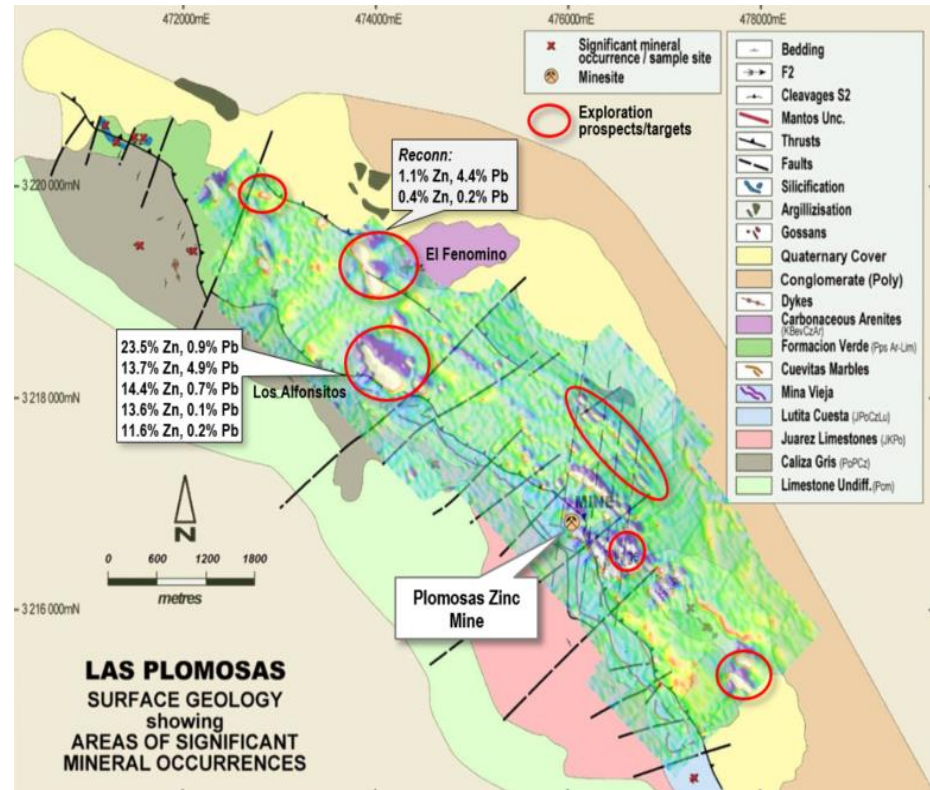
Outcropping prospects identified by CZL

Alfonsitos Prospect – First of several

- ❖ 2.5km along trend from Plomosas
- ❖ First pass rock chip sampling found grades up to **24.34% Zn+Pb**
- ❖ Same geological setting as Plomosas

Additional drill targets to be identified in 2018

...[these results] demonstrate potential for significant new discoveries and additional resource tonnes within existing tenement portfolio



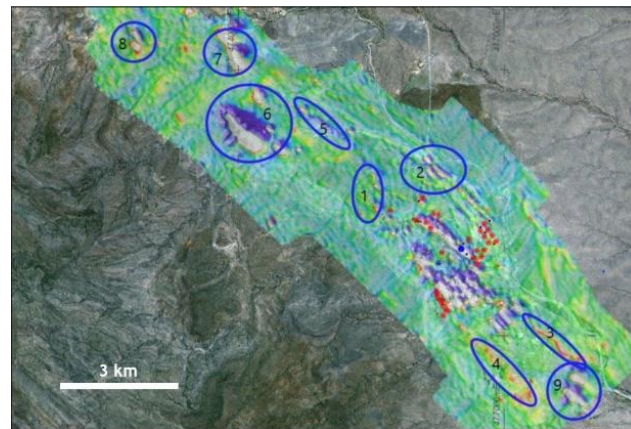
Resource Focus Longer View

Identified Targets with high prospectivity

- ❖ Underground access for 4km along strike, focus to date on 600m along strike and +400m down dip of (4000m along strike and 900m down dip)
- ❖ Level 7: Orebody 32 extension
- ❖ Chimney pipes between OB32 and Tres Amigos
- ❖ Carola: Grades up to 54% Zn+Pb small scale
- ❖ Las Espadas: Underexplored /easily accessible

Regional exploration potential confirmed by recent successful mapping

- ❖ Alfonsitos prospect drill target,
- ❖ Fenomino prospect drill target
- ❖ Surface exploration target development
- ❖ 7km of mineralised sequence largely undrilled and underexplored



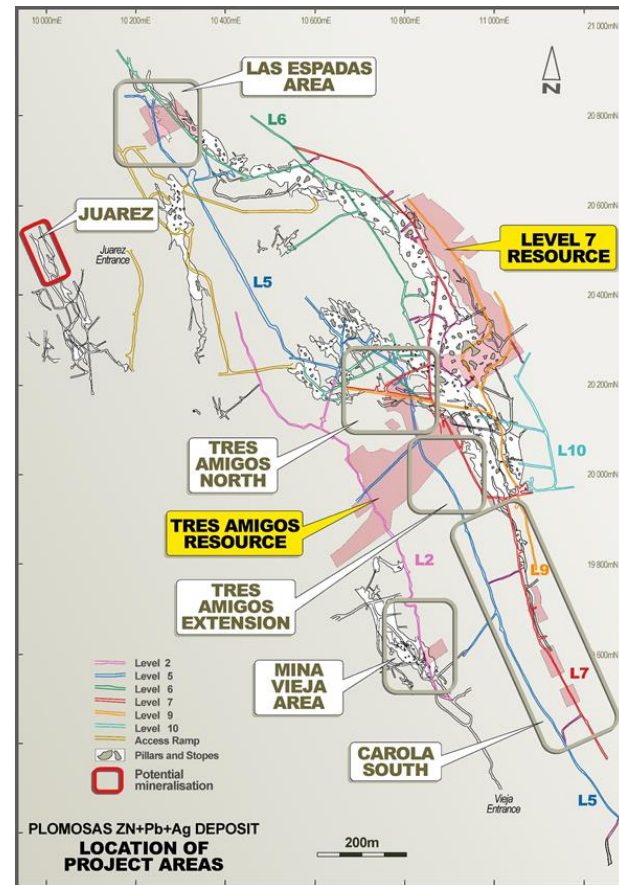
Underexplored Mine Area

First 5 priority target areas identified within mine area:

1. **Juarez:** Existing mineralisation in drives – **Not Drilled**
2. **Mina Vieja:** Probable extension of **Tres Amigos**
3. **Tres Amigos North:** Grades up to **33.2% Zn+Pb**
4. **Las Espadas West:** Untested and grades up to 50.2% Zn+Pb
5. **Level 7 Expansion:** Resource open down plunge and down dip

Significant new discoveries accessible from underground

- ❖ **Las Espadas East:** Grades up to **58.6% Zn+Pb** – **Undrilled**
- ❖ **Carola South:** Grades up to **53.62% Zn+Pb**; **Undrilled over 522m strike**



Production

September 2018 to February 2019: 3,000 tpm to 7,000 tpm

March 2019 to May 2019: 7,000 tpm to 10,000 tpm

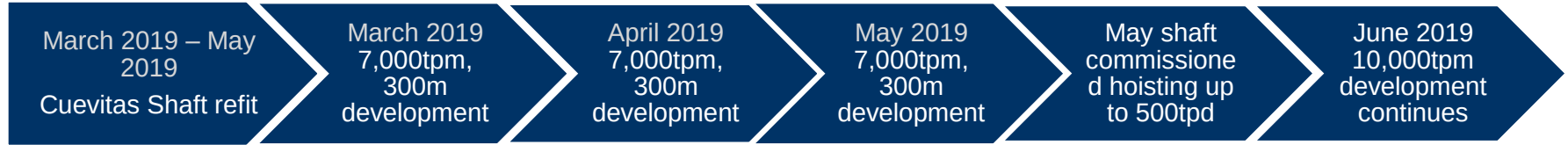
June 2019 onwards: 10,000 tpm



Stage 1 Production Commences

❖ September start at 3,000tpm - development of the bypass decline to increase production	✓	❖ November 5,000tpm, development 300m	✓
❖ Level 5 ore strike drive development	✓	❖ December 6,000tpm, development 300m	✓
❖ Internal decline development above level 5	✓	❖ January 2019 7,000tpm, development 300m	✓
❖ Gallery stoping establishment	✓	❖ February 2019 7,000tpm, development 300m	✓
❖ October production 3,000tpm, development 300m	✓	❖ September to December dewatering to Level 9	✓
		❖ January to March Cuevitas shaft refit	

Stage 2 Shaft Refit and Production Expansion

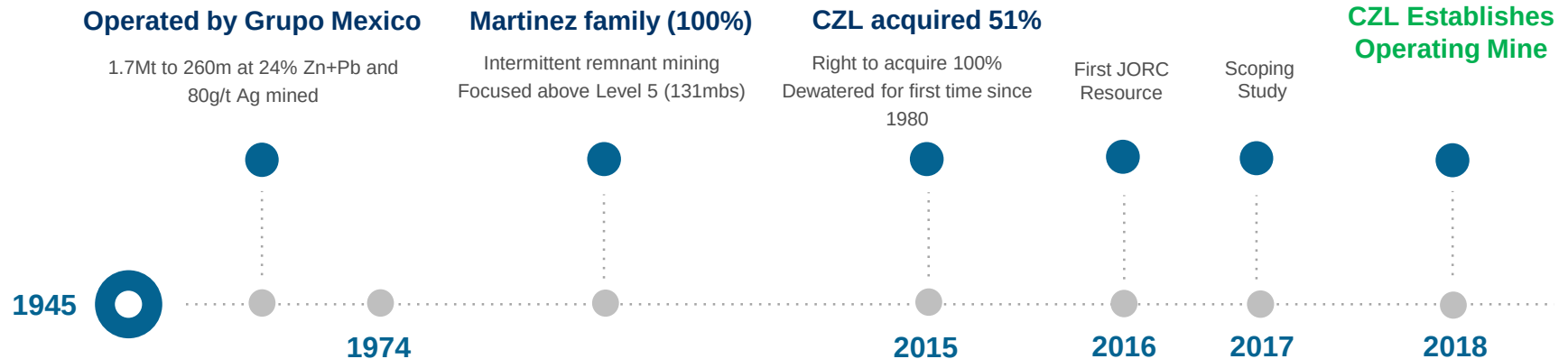


Mine Ownership



Plomosas Project: History

- ❖ 2.5Mt @ 24% Zn+Pb mined at Plomosas
- ❖ Mined 1945-1974 then intermittently – see timeline below
- ❖ CZL rehabilitated, dewatered for access to Level 7, mining planning completed and operations commenced



Minera Latin American Zinc (MLAZ)

Current Ownership

- ❖ CZL 51%
- ❖ Retec 49%

December 2018 Ownership

- ❖ CZL 90%
- ❖ Retec 10%

Target Ownership

- ❖ CZL 100%

HOW CZL INCREASES OWNERSHIP

- ❖ Shareholder Agreement provides CZL the right to acquire 39% of Minority interest for A\$750K plus A\$1.7m in shares
- ❖ Retec have approved and agreed the sale of their interest
- ❖ CZL plans to execute this shareholder agreement condition before the end of December 2019
- ❖ When CZL at 90% Retec interest is participating interest

Appendices

JORC Resource



JORC Resource

Plomosas Project							
April 2018 Mineral Resource Estimate (3% Zn Cut-off)							
Indicated Mineral Resource							
Prospect	Tonnage t	Zn %	Pb %	Ag g/t	Zn t	Pb t	Ag Oz
Level 7	107,000	18.5	8.6	55.1	19,900	9,300	190,300
Tres Amigos	97,000	12.5	1.8	15.9	12,000	1,800	49,400
Tres Amigos North	38,000	8.4	4.0	13.6	3,200	1,500	16,700
Total	242,000	14.5	5.2	32.9	35,100	12,500	256,400
Inferred Mineral Resource							
Prospect	Tonnage t	Zn %	Pb %	Ag g/t	Zn t	Pb t	Ag Oz
Level 7	212,000	10.9	5.0	32.3	23,100	10,600	220,000
Tres Amigos	507,000	12.9	1.9	13.4	65,400	9,600	218,300
Tres Amigos North	79,000	9.5	3.6	17.9	7,500	2,900	45,600
Carola	59,000	11.6	5.2	33.6	6,900	3,100	63,900
Las Espadas	79,000	11.7	5.0	14.3	9,200	3,900	36,200
Total	935,000	12.0	3.2	19.4	112,100	30,000	584,000
Total Mineral Resource							
Prospect	Tonnage t	Zn %	Pb %	Ag g/t	Zn t	Pb t	Ag Oz
Level 7	319,000	13.5	6.2	40.0	43,000	19,900	410,300
Tres Amigos	603,000	12.8	1.9	13.8	77,400	11,400	267,700
Tres Amigos North	117,000	9.1	3.7	16.5	10,700	4,400	62,300
Carola	59,000	11.6	5.2	33.6	6,900	3,100	63,900
Las Espadas	79,000	11.7	5.0	14.3	9,200	3,900	36,200
Total	1,178,000	12.5	3.6	22.2	147,100	42,600	840,400