



**CONSOLIDATED ZINC LTD**

## PLOMOSAS MINE UNDER EXPLORED

Brisbane Resources Roundup  
October 2019



CZL has commenced commercial operations at Plomosas Mine the highest grade zinc mine on ASX



CZL is a proven explorer & developer and operator



Plomosas Mine exploration potential to support a larger operation



Strategy to delineate sufficient mineral resources to support a 500ktpa concentrator



Significant holder of ground in under-explored district



Aggressive exploration program and development planned in 2020 >US\$2M

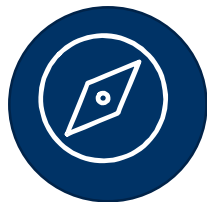


## PLOMOSAS MINE TODAY



- Plant expansion – commissioned
- Doubling output – Q3, 2019
- Exploiting >20% Zn Eq over next 12 months

## THE LONGER VIEW



- Stage 1:
- Targeting 500,000 tonnes zinc discovery in 2020
- DFS planned targeting 50,000 tpa zinc concentrate in 2021



# CORPORATE OVERVIEW



## CAPITAL STRUCTURE

Share price	A\$0.011
Market Capitalisation	A\$18.3M
Shares on Issue	1,669,808,313
Options on Issue	123,283,882
Performance Rights	136,000,000
Cash & Accounts Receivable (30/06/19)	US\$1.5M approx
Debt & Con Notes (31/08/19)	US\$1.326M

## SUBSTANTIAL SHAREHOLDERS

Copulos Group	29%
Chris Retzos	9%
Farjoy Pty Ltd	4%
Retec Guarú	3%

## SHARE REGISTRY

Board/Management	30%
Other	70%



# DIRECTORS AND MANAGEMENT

LED BY A TEAM OF HIGHLY SUCCESSFUL, EXPERIENCED MINING PROFESSIONALS

## CHAIRMAN Mr Stephen Copulos

- More than 35 years' experience in business and investments
- 20 years experience as a company Director of both listed and unlisted entities
- Successful businessman with history of performance in Mining and other business sectors.

## MANAGING DIRECTOR Mr Brad Marwood

- Mining Engineer with over 30 years' experience developing mines globally
- Grown ASX junior explorers to ASX 200 listed production 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.

## EXECUTIVE DIRECTOR Mr Andrew Richards

- 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.

## NON-EXECUTIVE DIRECTOR Ms Angela Pankhurst

- 20 years experience as executive and non-executive director with a background in corporate governance, accounting and business management
- Angela is Managing Director of MerGen Biopharma Limited, and a Director of PanTerra Gold Limited and Imritec Limited
- Expertise in transitioning explorers to miners in numerous countries.

## CHIEF FINANCIAL OFFICER / COMPANY SECRETARY Mr Anthony Italiano

- A Chartered Accountant with more than 15 years' corporate experience across senior finance roles in the resources sector
- Anthony has experience internationally in corporate governance, operations, financing, commodity marketing and trading
- Extensive experience in transitioning junior explorers to producers.

## EXPLORATION MANAGER Mr Steve Boda

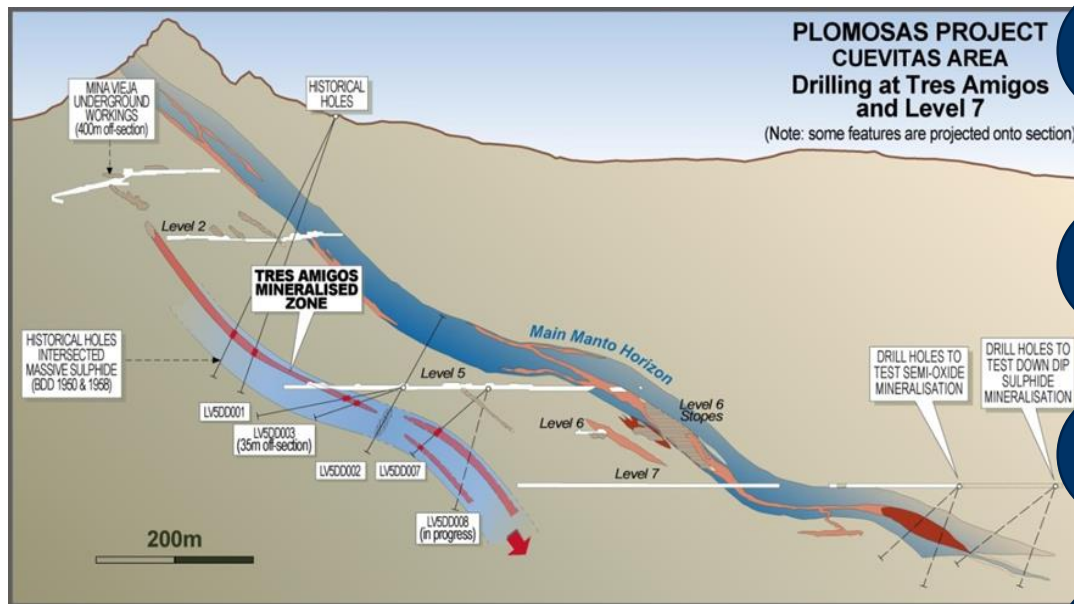
- 28 years' experience in exploration and occupied senior management roles with mining and exploration in Australia, China, SE Asia and Zambia
- A track record in using structural geology to target economic mineralisation across a variety of commodities and estimation of JORC Resources.



# PLOMOSAS MINE, MEXICO



# PLOMOSAS GEOLOGY & MINERALISATION



**GENERALISED CROSS SECTION THROUGH PLOMOSAS  
SHOWING MULTIPLE LIMESTONE RICH UNITS AND PINCH  
AND SWELL OF THE OREBODIES**

✓ Zinc and lead sulphide **mineralisation is contained within carbonate-rich units** such as limestones and marbles within a large basinal sedimentary sequence.

✓ Mineralisation preferentially replaces the carbonate so **multiple stacked limestone sequences are highly prospective** for Zn, Pb and Ag, especially where cross-cutting structure can provide plumbing pathways.

✓ The **cross-cutting structures** along which mineralised fluids migrate between limestone units are also prospective.

✓ Flexures in the stratigraphy seems to **influence the thickness of the mineralisation** and some pinching and swelling can occur.





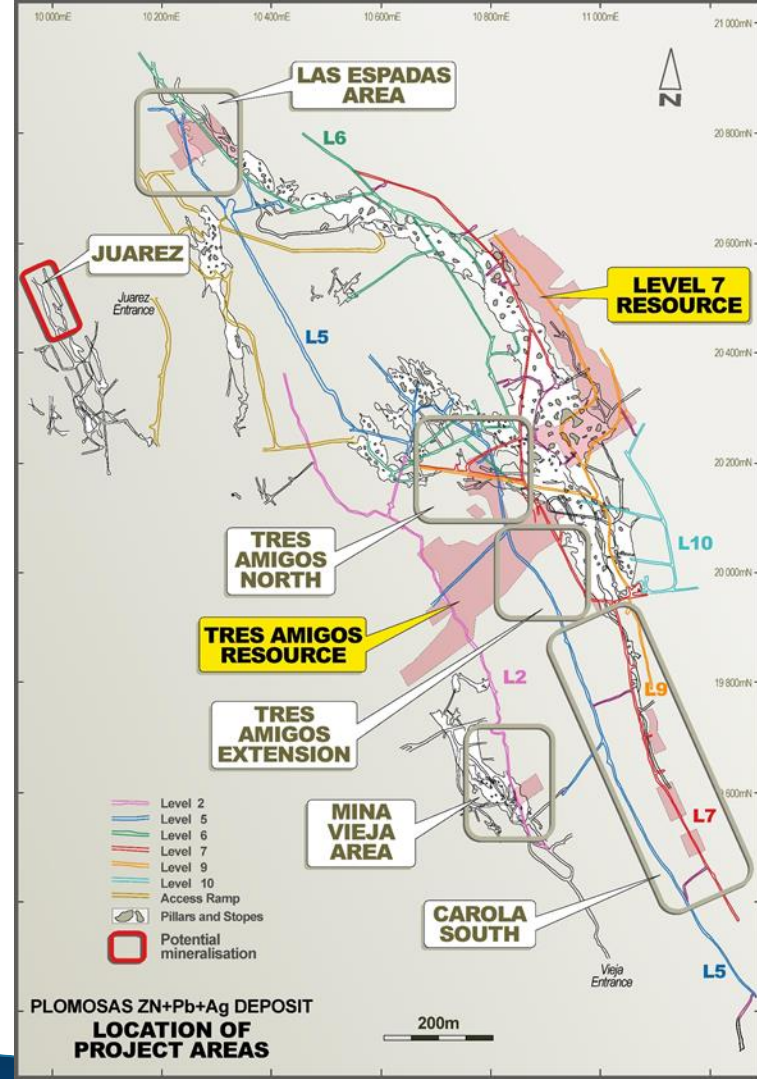
# UNDEREXPLORED MINE AREA

## FIRST 5 PRIORITY TARGET AREAS IDENTIFIED WITHIN MINE AREA:

- 1 **Juarez:** Existing mineralisation in drives – **Not Drilled**
- 2 **Mina Vieja:** mineralisation requiring follow up – **Poorly Defined**
- 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 along strike

## SIGNIFICANT NEW DISCOVERIES ACCESSIBLE FROM UNDERGROUND

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





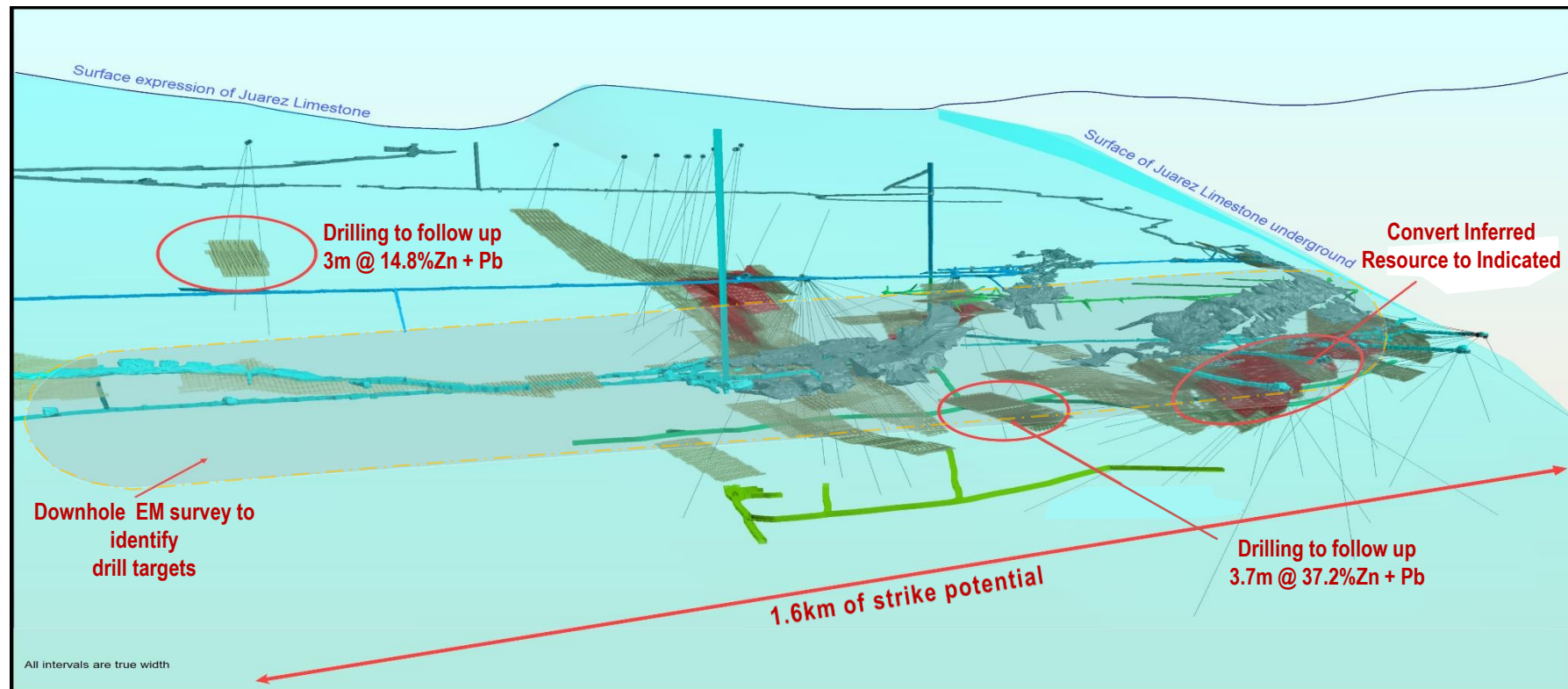
# IMMEDIATE EXPLORATION UPSIDE POTENTIAL

## 7KM UNEXPLORED MINE SEQUENCE WITHIN CURRENT LEASES





## TARGETING 1,400,000m<sup>2</sup> ORE EXTENSION ALONG STRIKE AND DOWN DIP





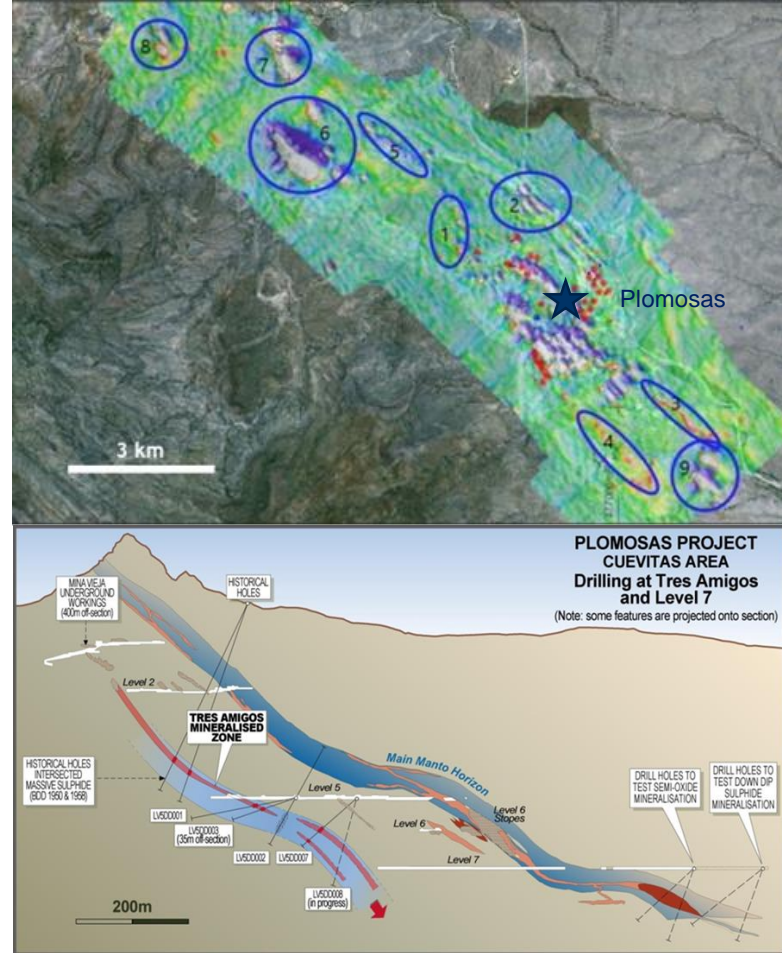
# RESOURCE GROWTH FOCUS LONGER VIEW MINE LIFE

## HIGHLY PROSPECTIVE TARGETS DEFINED WITHIN IMMEDIATE MINE AREA

- Prospective sequence is 4,000m along strike and 900m down dip
- Only partially drilled within 600m strike and ~400m down dip
- Underground access is available for drilling along the 4km of strike
- Require follow up drilling from available underground access

## REGIONAL EXPLORATION POTENTIAL CONFIRMED BY RECENT SUCCESSFUL MAPPING WITH PROSPECTS DEFINED

- 7km of mineralised sequence largely undrilled and underexplored





# JORC (2012) MINERAL RESOURCE AS DEPLETED DECEMBER 2018

Prospect	Indicated Mineral Resource						
	Tonnes	%Zn	%Pb	g/t Ag	Zn tonnes	Pb tonnes	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
<b>Sub Total</b>	<b>242,000</b>	<b>14.5</b>	<b>5.2</b>	<b>32.9</b>	<b>35,100</b>	<b>12,500</b>	<b>256,400</b>
	Inferred Mineral Resource						
	Tonnes	%Zn	%Pb	g/t Ag	Zn tonnes	Pb tonnes	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
<b>Sub Total</b>	<b>935,000</b>	<b>12.0</b>	<b>3.2</b>	<b>19.4</b>	<b>112,100</b>	<b>30,000</b>	<b>584,000</b>
	Total Mineral Resource						
	Tonnage	Zn	Pb	Ag	Zn	Pb	Ag
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
<b>Total</b>	<b>1,178,000</b>	<b>12.5</b>	<b>3.6</b>	<b>22.2</b>	<b>147,100</b>	<b>42,600</b>	<b>840,400</b>

**December 2018  
Mineral Resource  
Estimate (3% Zn  
Cut-off)**





# RAMPING UP HIGH-GRADE PRODUCTION



CZL is a growth stock operating one of the world's highest grade zinc mines in Chihuahua, Mexico (> 22% Zn Eq)



CZL achieved 100% ownership in Plomosas Mine in September 2019, up from 51% 12 months ago



Commenced mining in September 2018 with production planned to ramp up through 2019 and 2020



Toll treating through nearby Aldama plant – upgrading process to improve treatment of high grade Semi-oxide (SOX) ore.

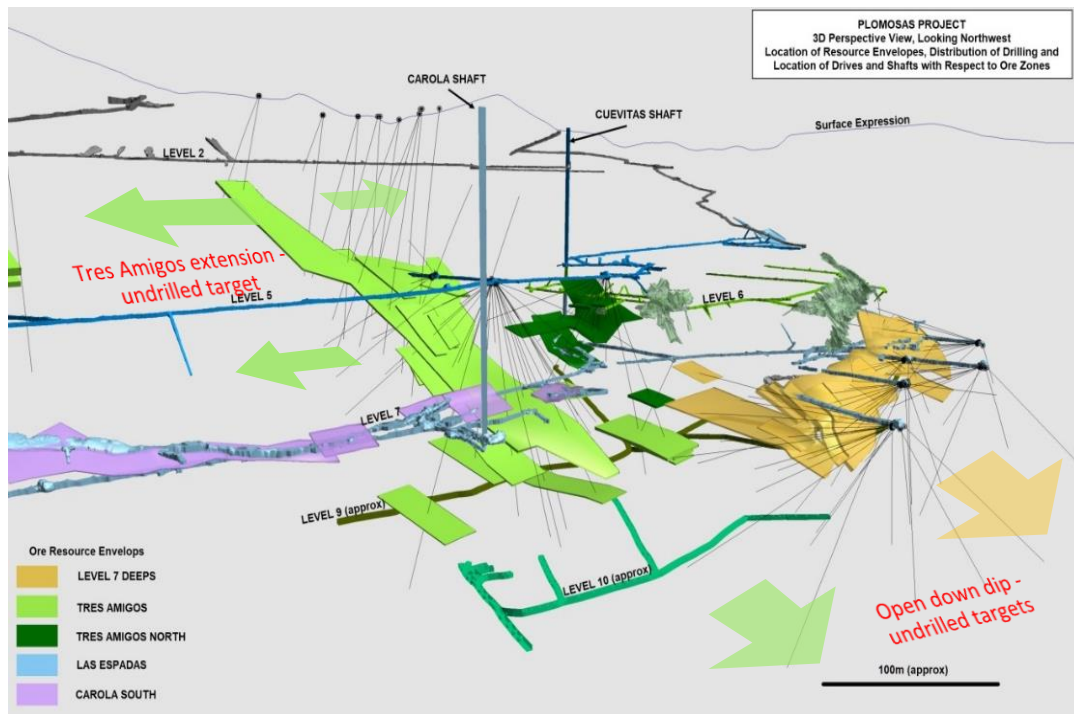


Established relationships and selling the concentrates locally





# PLOMOSAS MINE LAYOUT



360m

**Extensive underground access** to 360 metres below surface (mbs) - in good condition for mining and exploration drilling



**Initial haulage via decline**, shaft to be refurbished



**Stoping progressing** on Tres Amigos ore from Level 5: 3 stopes, Level 7: 4 stopes and SOX from Level 7



**Decline bypass completed**



**Decline extension to 972mRL completed**, stope development completed





# SOCIAL RESPONSIBILITY

## CZL HAS UNDERTAKEN ACTIVITIES IN:



Providing water to long-term residents in the Chihuahua Desert



Assisting with waste management for local community Falomir



Maintaining the access road



Sustainable projects with Falomir mayor



Supporting local ranchers

## CZL IS WORKING WITH LOCAL GOVERNMENT TO BENEFIT THE COMMUNITY





# IMPORTANT INFORMATION

## FORWARD-LOOKING STATEMENTS AND INFORMATION

This report contains forward looking statements and forward looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of zinc and lead, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.

Except as required by law or regulation (including the ASX Listing Rules), Consolidated Zinc undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

## PRODUCTION TARGETS

Production targets referred to in this report are underpinned by estimated Mineral Resources which have been prepared by competent persons in accordance with the requirements of the JORC Code. The production targets in this report are sourced from both Indicated and Inferred Mineral Resources and it should be noted that there is a low geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration

work will result in the determination of Indicated Mineral Resources or that the production target will be realised.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

## 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.



**CZ CONSOLIDATED ZINC LTD**

# APPENDIX

Geology and mineralisation

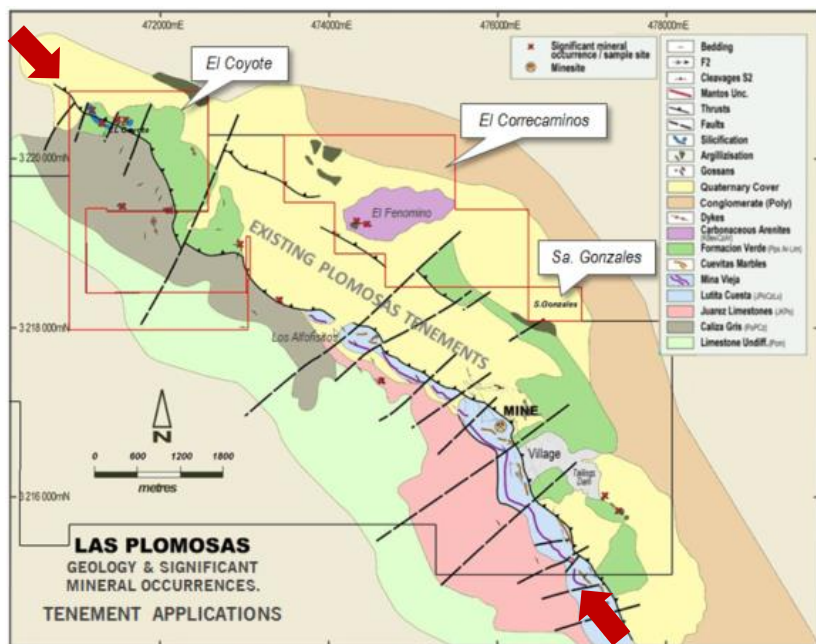
Tenement holdings

Exploration upside & Targets



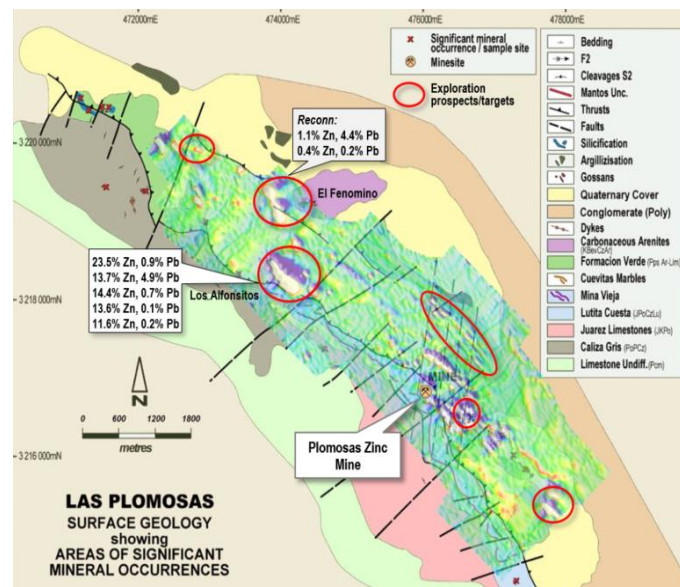


# MINE SEQUENCE MINERALISED TARGETS



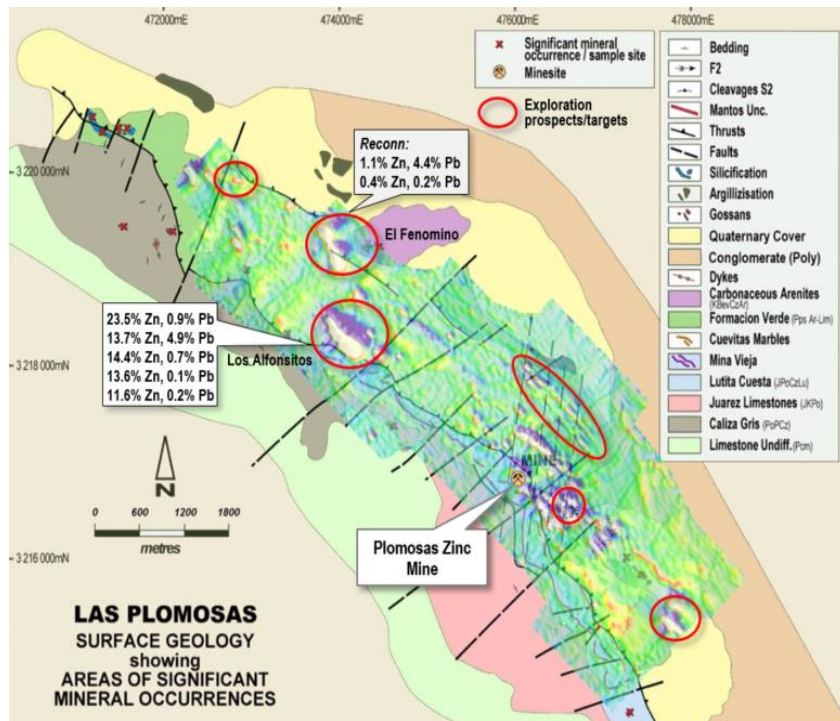
**STRATIGRAPHY OF MINE MINERALISED SEQUENCE  
(BLUE SHOWS IDENTIFIED CARBONATE UNITS)**

## MINE SEQUENCE WITHIN TENEMENTS SHOWING PROSPECTIVE STRATIGRAPHY, STRUCTURES AND TARGETS.





# CZL REGIONAL EXPLORATION – MINE SEQUENCE



## ADDITIONAL DRILL TARGETS TO BE IDENTIFIED 2019

- 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

**OUTCROPPING PROSPECTS IDENTIFIED BY CZL**

**CZL HAS DEMONSTRATED POTENTIAL FOR SIGNIFICANT NEW DISCOVERIES AND ADDITIONAL RESOURCE TONNES WITHIN EXISTING TENEMENT PORTFOLIO**

# PLOMOSAS MINE – HISTORY TO DATE

**+2Mt**

+2M tonnes grading 22% Zn+Pb mined by ASARCO between 1945 and 1974 mined at **15.6% Zn, 7.8% Pb and 60 g/t Ag**



Historically high quality concentrates – high demand



Extensive system of underground access drives and shafts  
- immediate access for exploration and production



First systematic exploration and drill out by CZL in 2016-18



JORC Resource of **1.17Mt @14.3% Zn, 2.63% Pb, 17g/t Ag**  
- 31 December 2018

**09/18**

CZL commenced mining September 2018

