

13 November 2019

Zinc Concentrate Offtake Agreement Executed

Highlights:

- Offtake agreement signed with Penoles for Zinc concentrate produced from Plomosas Mine to 31 December 2020 with an option to extend for a further 2 years.
- Penoles is a major Latin-American mining company and one of the world's leading refiners of zinc and the largest global refiner of silver.

Consolidated Zinc Limited (ASX: CZL; "Consolidated Zinc" or "the Company") is pleased to announce its 100% owned subsidiary, Minera Latin American Zinc SAPI de CV ("MLAZ") has executed a Zinc Concentrate Offtake Agreement ("the Offtake Agreement") with Industrias Penoles S.A. de C.V. ("Penoles").

Zinc Concentrate Offtake Agreement

The Offtake Agreement with Penoles covers the sale of zinc concentrate to 31 December 2020, with 100% of zinc concentrate to be sold to Penoles Met-Mex smelter located in Torreon, Mexico, with the zinc treatment charge set to the international benchmark.

The Offtake Agreement contains an option at the election of Penoles, to extend for a further 2 years to 31 December 2022 and declare the volume of zinc concentrate to purchase in 2021 and 2022 calendar years on exercise of its option.

Penoles is a major Latin-American mining company, listed on the Mexican Stock Exchange, and are one of the world's leading refiners of zinc and the largest global refiner of silver.

Zinc and lead concentrates produced from Plomosas Mine are high-grade, with very low levels of impurities and are within all deleterious impurity limits.

Lead concentrate from the Plomosas Mine is currently sold to global commodity trading houses at spot volumes on short term contracts.

For and on behalf of the Board.

Brad Marwood
Managing Director

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 100% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico. Chihuahua State has a strong mining sector with other large base and precious metal projects in operation within the state. 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 has recommenced mining at Plomosas and is committed to exploit the potential of the high-grade Zinc, Lead and Silver Mineral Resource through the identification, exploration and exploitation of new zones of mineralisation within and adjacent to the known mineralisation with a view to identify new mineral resources that are exploitable.