

Plomosas Operations Update OCTOBER 2019

- **4,827 tonnes of ore mined, significantly higher than the 1,363 tonnes mined in September as the Company increased ore mining production during the month**
- **3,933 DMT of ore processed, with processed grades also higher than September: 16.5% Zinc, 8.4% Lead and 45 g/t Silver**
- **Ore stockpile of 4,895 tonnes available for processing through the Aldama facility**
- **Concentrate sales were 593 tonnes of zinc concentrate and 100 tonnes of lead concentrate**
- **Significant operational improvements at the mine and processing plant have resulted in value of concentrate produced exceeding operating costs from the Plomosas mine in October**

Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to provide an update on production at its Plomosas zinc-lead-silver mine in Mexico.

Ore Production (WMT)

OCTOBER 2019 PRODUCTION STATISTICS			Jul 2019	Aug 2019	Sep 2019	Oct 2019	YTD 2019
MINED	ORE	TONNES	3,354	2,794	1,363	4,827	40,583
	WASTE	TONNES	593	1,422	1,010	861	18,576
	DEVELOPMENT	METRES	65	76	44	175	1,597
MINED GRADE	ZINC	%	14.3	14.1	10.4	16.5	13.2
	LEAD	%	8.3	8.3	7.5	8.4	5.8
TOTAL METAL MINED	ZINC	TONNES	480	394	142	797	5,368
	LEAD	TONNES	278	232	102	405	2,356

Ore mining

Ore mining activities in October saw the commencement of stope mining with the anticipated increase in grade and production. Production rates will continue to increase as more stopes are opened up at the Plomosas Mine.

Ore Processing

The third party Aldama Concentrator (“Aldama”) milled 3,933 tonnes during October, a 10% increase from September 2019. Early in the month the throughput was increased delivering high solid flow rates that resulted in sanding the plant¹. The throughput was optimised while ensuring sanding did not occur. Larger mill discharge pumps have been ordered that will handle the increased loads and the plant will be run at maximum throughput.

Ore grades milled were 16.5% zinc, 8.4% lead and 45 g/t Silver, delivering the highest quantity of concentrates produced through the plant to date. A total of:

- 430 tonnes of zinc metal in concentrate was produced during the month at 55% zinc concentrate grade;
- 313 tonnes of zinc metal in zinc concentrate were sold during the month;

¹ Where particles come out of suspension and settle in the tank

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- 104 tonnes of lead metal in concentrate including 4,769 ounces of silver were produced in concentrates during the month at a 52% Lead concentrate grade; and
- 50 tonnes of lead metal in lead concentrate was sold during the month.

The concentrates take up to a week to dry to the saleable moisture content after production, with the revenue recognition point at the delivery to either the smelter gate or delivery to point of sale, therefore revenue recognition will differ from monthly production statistics.

Zinc and lead recoveries during October were 62.3% zinc to zinc concentrate and 21.2% lead to lead concentrate. The processing plant has been trialling different reagent combinations to maximise the zinc and lead recoveries. There have been some very positive results with zinc recoveries achieving above 80% on a daily basis while lead recoveries above 53% have been achieved.

All zinc concentrates produced were sold locally to the Penoles Met-Mex Smelter, the largest zinc smelter in Mexico while the lead concentrates were sold locally under short term spot contracts.

For and on behalf of Consolidated Zinc Limited.

Brad Marwood
Managing Director
Consolidated Zinc Limited

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.

Caution Regarding Forward Looking Statements and Forward Looking 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.