

\$1.725 MILLION PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

Highlights

- Fully underwritten pro rata non-renounceable entitlement offer on the basis of one (1) New Share for every five (5) Shares held by Eligible Shareholders on the Record Date at A\$0.005 per New Share to raise approximately A\$1.725 million.
- Participants in the Offer will receive one (1) free attaching quoted option exercisable at A\$0.01 on or the date that is three years from the date of issue for each New Share subscribed for and issued.
- Major shareholders, Stephen Copulos and Chris Retzos, have each committed to apply for the Copulos Group and the Retzos Groups full entitlement (approximately 39% of the Company being A\$0.67 million) in the Offer, a strong show of support from two of the Company's largest shareholders.
- The fundraising will enable the Company to accelerate its gold exploration program following recently announced exploration results suggesting the presence of a gold mineralised system within the Company's concessions at Plomosas.
- Funds raised from the Offer will be used for exploration of gold prospects at the Plomosas project, to repay unsecured loans, for working capital and to meet Offer expenses.

Consolidated Zinc Limited ("**Company**") (ASX:CZL) advises that it intends to undertake a fully underwritten non-renounceable pro rata entitlement offer on the basis of one (1) new fully paid ordinary share ("**New Share**") for every five (5) Shares held on the record date at an issue price of A\$0.005 per Share to raise \$1,725,933, together with one free attaching option exercisable at A\$0.01 on or before the date that is three years from the date of issue ("**New Option**") for each New Share subscribed for and allotted ("**Offer**"). The Company expects to lodge a prospectus for the purpose of the Offer ("**Prospectus**") with ASIC on Wednesday, 11 March 2020.

Brad Marwood, Managing Director of the Company said:

"The Company looks forward to undertaking additional gold exploration, including systematic surface sampling, mapping and channel sampling that may lead to drilling in the near term and possible commercialisation of the recently identified high-grade, shallow gold mineralisation in the north west of the Plomosas concessions. Reconnaissance rock chip samples returned high grade gold results over a wide area of up to 61.0 g/t Au and 27.5 g/t Au at the La Chona prospect (refer to ASX announcement dated 30 January 2020 for full details).

Whilst the Board would like to be raising equity at higher prices, we are pleased to be able to offer existing eligible shareholders the ability to participate at the Offer price and to be entitled to the New Options.

In addition to gold exploration, the Board determined it was prudent to raise capital at this time to provide additional working capital for the Company's operations, to repay unsecured loans, for working capital and to meet Offer expenses."

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The Lead Manager and Underwriter to the Offer is Pinnacle Corporate Finance Pty Ltd ("**Pinnacle**").

Two of the Company's largest shareholder groups, the Copulos Group with a current voting power of 31.91% and the Retzos Group with a current voting power of 7.42%, have committed to apply for their full entitlement under the Offer. The directors consider this a strong show of support from two of the Company's largest shareholders.

The Company intends to use the funds raised from the Offer as follows:

Item	Amount¹
Expenses of the Offer	\$200,000
Exploration of gold prospects at the Company's Plomosas Project ²	\$700,000
Repayment of the Working Capital Facility ³	\$400,000
Working capital ⁴	\$425,933
Total	\$1,725,933

Notes:

1. The above table is a statement of the Board's current intention as at the date of this announcement and the Board reserves the right to alter the way the funds are applied.
2. Exploration of high grade gold system identified at Plomosas (refer announcement dated 30/01/2020)
3. This sum represents the repayment in full of unsecured loans of \$400,000 from Stephen Copulos and Chris Retzos or entities associated with them. The Company proposes to offset this amount against the same amount payable by the Copulos Group and the Retzos Group under their entitlements under the Offer. In these circumstances, no interest will be payable by the Company to those lenders.
4. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves but excludes sales which may be used in connection with the Company's activities, as determined by the Board at the relevant time.

The timetable for the Offer is as follows:

Pro-rata Offer announced	9 March 2020
Prospectus lodged with ASX and ASIC	11 March 2020
New Shares and New Options quoted on an "ex" basis (date from which Shares commence trading without the entitlement to participate in the Offer).	13 March 2020
Record Date (date for identifying Shareholders entitled to participate in the Offer).	16 March 2020
Offer Document with Entitlement Form sent to Eligible Shareholders and opening date of the Offer	19 March 2020
Closing Date of the Offer	9 April 2020

(last date for lodgement of Entitlement & Acceptance Forms and Application Money)	
Quotation of New Shares and New Options commences on a deferred settlement basis	14 April 2020
Announcement of results of the Offer	15 April 2020
Issue of New Shares and New Options	17 April 2020
Quotation of New Shares and New Options issued under the Offer	20 April 2020

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("**Eligible Shareholders**").

Assuming that no Options or convertible securities are exercised or converted before the Record Date, the effect of the Offer on the Company's issued share capital is shown in the following table:

Shares	Full Subscription
Existing Shares	1,725,933,313
New Shares issued under the Offer	345,186,663
Total Shares on issue after completion of the Offer	2,071,119,976
Options	Full Subscription
Existing Options	123,283,882
New Options issued under the Offer	345,186,663
New Options issued to Pinnacle	10,000,000
Total Options on issue after completion of the Offer	478,470,545

Shareholders may view all the Company's ASX announcements, including those relating to the Offer, on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.consolidatedzinc.com.au.

It is anticipated that the Prospectus offering the New Shares and New Options for subscription will be mailed to Eligible Shareholders on 19 March 2020.

Application will be made to ASX for official quotation of the New Shares and New Options. Quotation of the New Options is subject to meeting the ASX criteria. No shareholder approval is required to the Offer.

Overseas Shareholders

The Offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

Capital Raising Fees

In consideration for acting as Lead Manager and underwriting the Offer, Pinnacle will be paid a management fee of 2% and underwriting fee of 4% on the aggregate amount underwritten, \$10,000 per month for three months and will be issued 10,000,000 New Options.

Related Party Loans

The Company has fully drawn unsecured related party loan facilities with a principal balance of A\$800,000 from entities associated with Stephen Copulos and Andrew Richards. The maturity date on these facilities has been extended to 30 June 2021, from 30 June 2020. All other terms including the interest rate of 10.0% p.a. remain the same.

This announcement was authorised for issue to the ASX by the Directors of the Company.

For further information please contact:

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