

CAPITAL RAISING UPDATE

Consolidated Zinc Limited (ASX: CZL or “the Company”) advises that the Underwriting Agreement for the Rights Issue announced on 9 March 2020 has been terminated, in accordance with the terms of the Agreement, due to market conditions. A Supplementary Prospectus has been lodged to withdraw the previously announced Rights Issue.

Negotiations with Pinnacle Corporate Finance Pty Ltd (**Underwriter**, or **Pinnacle**) for a replacement Agreement are ongoing as the Mexican Government has recently instructed all non-essential services to suspend operations until 30 April 2020.

Whilst the mining sector has not been deemed an essential service, the Government has instructed and authorised government authorities to consider and grant exemptions for mines based on individual circumstances.

The Company has applied to the Directorate of Mines (DOM) to be exempted from the non-essential services suspension on the basis that the Plomosas mine is well isolated from any population centres and has implemented strict social isolation and hygiene standards in advance of any government directives.

The Company is of the view that its employees are safer to remain on site and continue operations than commute back to their residential location.

During this suspension period, the Company is only approved to continue critical maintenance of its operations that includes plant and equipment maintenance, dewatering, environmental and security.

It is expected that a response will be received from the DOM before the end of this week, at which time negotiations with Pinnacle will be completed, and a further announcement will be made on the capital raising following the receipt of a response from the DOM.

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

For further information please contact:

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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 commenced 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.