

27 April 2020

Dear Shareholder,

On 23 April 2020, Consolidated Zinc Limited (**Company**) announced that it is offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the Company (**Shares**) through a non-renounceable pro rata entitlement offer of one (1) Share for every three (3) Shares held by eligible shareholders on 30 April 2020 (**Record Date**) at an issue price of \$0.003 per Share (**Issue Price**) to raise approximately \$1,725,000 (before costs), together with one (1) free attaching option exercisable at \$0.006 on or before the date that is three (3) years from the date of issue (**Option**) for every Share subscribed for and issued (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used by the Company to undertake exploration of gold prospects as the Company's Plomosas project, to repay unsecured loans, working capital and general corporate expenditure.

This Entitlement Offer is fully underwritten by Pinnacle Corporate Finance Pty Ltd (**Underwriter**).

This letter is not an offer to issue Shares or Options to you, nor an invitation for you to apply for Shares or Options. This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for Shares and Options under the Entitlement Offer. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

What is the Entitlement Offer?

The Entitlement Offer is being made by the Company in accordance with section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**). The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC and ASX on 26 April 2020. The Entitlement Offer is fully underwritten by Pinnacle Corporate Finance Pty Ltd (**Underwriter**).

The Entitlement Offer involves an offer to Eligible Shareholders of an entitlement to subscribe for one (1) Share for every three (3) Shares held by eligible shareholders on the **Record Date** at an issue price of \$0.003 per Share, together with one (1) free attaching Option for every Share subscribed for and issued (**Entitlement**). The Prospectus sets out further details in respect of the Entitlement Offer.

Who is eligible?

An **Eligible Shareholder** is a person who

- is the registered holder of Shares as at 5:00pm (Perth time) on the Record Date; and
- has a registered address in Australia or New Zealand.

Shareholders who are not Eligible Shareholders are "Ineligible Shareholders" and are consequently unable to participate in the Entitlement Offer.

Why am I not eligible to participate in the Entitlement Offer?

The restrictions upon eligibility are due to a number of factors, including the small number of shareholders in some countries, the number and value of existing Shares they hold and the cost of complying with applicable regulations in those countries.

Having given consideration to these factors, the Company has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act it would be unreasonable to make the Entitlement Offer to certain shareholders resident in countries outside of Australia and New Zealand.

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Shareholder. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Entitlement Offer and as such, you will not be offered any Entitlements under the Entitlement Offer. You will not be sent a copy of the Prospectus.

The Entitlement Offer is non-renounceable. A number of Shares, and free attaching Options, equal to the number that you would otherwise be entitled to subscribe for under the Entitlement Offer will be subscribed for by the Underwriters at the Issue Price. As a result, no amount will be payable by you and you will not otherwise receive any value for Entitlements in respect of any Shares and Options that would have been offered to you if you were an Eligible Shareholder.

For further information about the Entitlement Offer, please call the Company's share registry, Link Market Services Limited, on 1300 554 474 (within Australia) or +61 8 9211 6670 (outside Australia).

A copy of the Prospectus may be viewed on the ASX website at www.asx.com.au, or alternatively at the Company's website at www.consolidatedzinc.com.au.

On behalf of the Company, we thank you for your continued support of the Company.

Yours faithfully



Anthony Italiano
Company Secretary
CONSOLIDATED ZINC LIMITED