

## PLACEMENT TO FUND EQUIPMENT UPGRADES

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- Placement of 190.0 million Shares to raise \$0.57 million on the same terms as the recently completed Entitlement Issue.
  - Funds raised from the Placement will be applied towards the purchase of equipment to increase efficiencies at Plomosas, working capital and offer costs.
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The directors of Consolidated Zinc Limited ("**Company**") (ASX:CZL) are pleased to announce that following the strong support from shareholders in the recently completed Entitlement Issue, they have received firm commitments to raise a further \$0.57 million via a single tranche placement of 190.0 million new fully paid ordinary shares ("**Placement Shares**") in the Company to sophisticated and professional investors pursuant to section 708 of the *Corporations Act 2001* (Cth).

Funds raised from the Placement will be applied towards the purchase of equipment to increase efficiencies at Plomosas, working capital and offer costs.

The Placement is on the same terms as the recently completed Entitlement Issue, i.e. at an issue price of \$0.003 per Share ("**Issue Price**"), together with one (1) listed option for every one (1) Share subscribed in the Placement (exercisable at \$0.006, expiry date 1 June 2023, listed under ticker 'CZLOB' (**Placement Options**)).

The Placement Shares will be issued under the Company's existing ASX Listing Rule 7.1 capacity with settlement expected to occur on or around Wednesday, 17 June 2020. The Placement Options will be issued subject to shareholder approval at the Company's AGM to be held in late-July, with the notice of meeting expected to be sent to shareholders by the end of June.

The Company expects that the Placement Shares and Placement Options (following approval by shareholders at the AGM) will be listed for trading on the ASX immediately after issue, subject to ASX Listing Rule requirements, following the issue of a cleansing statement for the Placement Shares and a prospectus for the Placement Options.

Lazarus Corporate Finance Pty Ltd have been appointed Lead Manager to the Placement and will be paid a 6% capital raising fee in relation to the Placement.

The funds will enable old mining equipment at Plomosas to be replaced with current equipment that is expected to increase efficiency and productivity from the mine.

This announcement was authorised for release to the ASX by the Board.

For further information please contact:

**Brad Marwood**  
**Managing Director**  
**08 9322 3406**

## **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.