

21 September 2020

Dear Optionholder,

On 16 September 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 three (3) Shares for every eleven (11) Shares held by eligible shareholders on 24 September 2020 (**Record Date**) at an issue price of \$0.003 per Share (**Issue Price**) to raise approximately \$2,038,291 (before costs), together with one (1) free attaching quoted option (ASX:CZLOB) for every three (3) Shares subscribed for and issued, exercisable at A\$0.006 on or before 1 June 2023.

The funds raised will enable the Company to refurbish the Plomosas concentrator and commence zinc and lead concentrate production from the Company's own processing facilities.

The Entitlement Offer is fully underwritten by Lazarus Corporate Finance Pty Ltd (**Underwriter**).

The Entitlement Offer is being made pursuant to a prospectus lodged with ASIC on 20 September 2020 (**Prospectus**). A copy of the Prospectus, which contains details of the Entitlement Offer, is available on the ASX website <http://www.asx.com.au>.

The purpose of this letter is to give you notice that if you wish to participate in the Entitlement Offer with respect to your options, you must exercise your options **before the Record Date**.

To ensure that your Shares are allotted before the Record Date, your option exercise notice together with the correct monies must be received by the Company's share registry, Link Market Services Limited no later than 22 September 2020. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer carefully and if in any doubt, consult with your professional advisor.

If you require any further information please contact the Company Secretary on +61 (8) 9322 3406.

Yours faithfully



Anthony Italiano  
Company Secretary  
**CONSOLIDATE ZINC LIMITED**