

Update - High Grade results from Plomosas Zinc underground sampling

- High grade mineralisation was confirmed in underground sampling at Plomosas mine;
- Five samples with very high grade zinc results were reassayed;
 - Results ranged from 31.22% Zn to 43.82% Zn,
 - Two samples exceeded 50% combined Zn + Pb grades (52.13% and 56.64%) ;

Consolidated Zinc Limited (ASX:CZL) is pleased to present the results of re-assaying extremely high grade samples as highlighted in our announcement of 15 July 2015.

As previously described, five channel samples taken from the Plomosas underground returned very high zinc assay results that exceeded the upper detection limit of the *ore grade* analysis method used by ALS Laboratories. These were resubmitted for analysis using a method normally applied to concentrate analysis.

The results are summarised in Table 1 and included in the updated Table 2. The zinc values ranged between 31.22% and 43.82% while the combined Zn + Pb grades ranged from 33.47% to 56.64%. Silver values are also elevated at between 38.4 and 63.5 g/t Ag.

Table 1. Results of re-assayed high grade samples using method Zn-VOL50

SAMPLE	East WGS84	North WGS84	Elev (m)	Sample Type	Zn%	Pb%	Ag ppm
CV022	476026.708	3217306.184	988.090	Channel	39.58	12.55	63.5
CV023	476007.910	3217315.238	992.368	Channel	42.32	4.39	56.9
CV025	475967.108	3217322.141	998.334	Channel	43.59	13.05	52.6
VJ003	476226.062	3216271.419	1124.365	Channel	43.82	4.80	41.0
VJ015	476251.224	3216215.149	1105.509	Channel	31.22	2.25	38.4

For further details and diagrams of the sample locations the reader is referred to the CZL announcement of 15 July 2015.

The high zinc grades continue to validate the Company's view that the Plomosas deposit is amongst the highest grade zinc projects currently being explored or mined anywhere in the world and the imminent commencement of our first drilling program is an exciting time for the Company.

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Figure 1. Sphalerite and galena mineralisation near upper contact (Plomosas mine)



Figure 2. Underground stope (Plomosas mine)

Yours faithfully,



Will Dix
Managing Director

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX:CZL) is a minerals exploration company listed on the Australian Securities Exchange. The Company's major focus is in Mexico where it recently acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project through its majority owned subsidiary, Minera Latin American Zinc CV SAPI.

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's main focus is to identify and explore new zones of mineralisation within and adjacent to the known mineralisation at Plomosas with a view to identifying new mineral resources that are exploitable.

In addition to Plomosas the Company also has interests in the Jailor Bore Uranium Project in Western Australia and in base metal leases in northern Sweden.

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Competent Persons' Statement

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Steve Boda BSc (Hons), MAIG, MGSA, MSEG and Andrew Richards BSc (Hons), Dip Ed, MAusIMM, MAIG, MSEG, GAICD. Messrs Boda and Richards are both Members of Australian Institute of Geoscientists (AIG) and Mr Richards is also a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Both Messrs Boda and Richards have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Messrs Boda and Richards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Table 2 (Updated). Rock chip and channel sample results (note: All samples for Ore Grade Analysis method Zn-OG62. The highlighted samples were originally reported as >30% Zn and were further analysed by a different method normally used for zinc concentrates, Zn-VOL50, to establish grade).

SAMPLE	East WGS84	North WGS84	Elev (m)	Sample Type	Zn%	Pb%	Ag ppm
CV022	476026.708	3217306.184	988.090	Channel	39.58	12.55	63.5
CV023	476007.910	3217315.238	992.368	Channel	42.32	4.39	56.9
CV025	475967.108	3217322.141	998.334	Channel	43.59	13.05	52.6
VJ003	476226.062	3216271.419	1124.365	Channel	43.82	4.80	41.0
VJ015	476251.224	3216215.149	1105.509	Channel	31.22	2.25	38.4
CV021	476025.160	3217278.220	1003.780	Channel	26.50	8.22	34.3
CV026	476054.390	3217295.900	989.020	Channel	24.20	9.66	32.1
TRS1	476124.430	3216628.280	1000.171	Grab	24.20	0.80	13.3
VJ019	476251.623	3216268.216	1106.179	Channel	23.10	3.52	30.7
VJ006	476243.040	3216235.505	1121.258	Channel	22.70	8.39	31.3
CV015	475700.529	3217228.718	1115.010	Channel	22.40	10.55	25.3
28VJ004	476231.179	3216255.156	1125.661	Channel	22.40	7.75	32.0
CV016	475710.862	3217228.690	1113.049	Channel	21.90	9.02	26.1
CV008	475723.281	3217204.340	1111.427	Channel	20.70	7.76	14.6
CV009	475722.353	3217197.795	1113.340	Channel	19.35	11.75	29.7
CV024	475981.095	3217322.645	995.496	Channel	19.25	7.19	41.3
CV001	475729.952	3217188.893	1114.060	Channel	18.05	9.33	24.5
LVL5ST	476076.450	3216965.240	990.430	Grab	16.00	12.20	28.0
CV011	475717.566	3217203.063	1113.001	Channel	12.55	5.53	12.2
CV010	475722.315	3217201.614	1112.981	Channel	10.75	4.76	13.5
CV002	475733.632	3217189.056	1113.516	Channel	10.35	3.85	12.5
CV027	476063.310	3217293.010	987.900	Channel	10.05	8.64	15.7

Section A1. Sampling Techniques and Data

JORC Code, 2012 Edition – Table 1 report template

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Sampling was conducted by locating a one metre sampling line, using spray paint across mineralisation and ensuring that the line began in hanging wall host, spanned mineralisation and terminated in footwall host. Where mineralisation was thicker than one metre, the line was adjusted accordingly. This was done to minimise the bias of the sample value. Channel sampling was then completed, using the line as a guide, without sampling the line itself. As much representative sample was taken from the length of the line to produce a two to four kilogram sample. For this level of exploration, the sample size and method of sampling was deemed adequate to represent in-situ material.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> No drilling was conducted at this phase of exploration

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No drilling to recover drill samples was conducted at this phase of exploration
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No drilling to recover drill samples was conducted at this phase of exploration. However a rock description log has been updated to record the type of material sampled.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No drilling to recover core samples was conducted during this phase of exploration.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> 2-4kg sample preparation fine crushing – 70% pass <2mm (CRU31) then sample split (SPL-21) then pulverize by pulp mill to nominal 85% pass <75um (PUL-31). Analysis by a combination of Aqua Regia Digest with ICP-AES finish (ALS Chemex code ME-ICP61). For priority and follow-up for samples that report greater than the UDL of first pass analysis, ore grade analysis of these samples is conducted using Four Acid Digest with a multi-element ICP-AES finish (code ME-OG62-multi element – four acid, Pb-OG62 and Zn-OG62). Fire Assay was used for Au (ALS Chemex code Au-AA23) using a 30 gram charge with a mass spectrometer finish. Samples returning Zn assay results greater than 30% using Zn-OG62 were reanalysed using method Zn-VOL50 which employs volumetric analysis and classical titration methods
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> All sample collection was supervised by a competent person at site. All samples were placed into unique pre-numbered bags and entered into site ledgers. This information was then transferred to the site database. These numbers are used to match sample with assays.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Grid coordinates WGS84 Zone 13. Sample point pick up by survey control points located throughout underground development surveyed by competent survey team using the Falomir Survey Plate of Mexico.

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Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Sampling space was 10 metres along areas of mineralisation or in areas of interest. • No compositing of samples was completed.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Orientation of the sampling completed was across the strike of contacts or structures to achieve an unbiased sample
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were marked with a unique code on the sample bag and a separate duplicate coded ticket was added inside the bag, which was then tied off. Samples were then loaded into a larger polyweave bag in groups of ten and this bag was then sealed by tie wire. Sample bags were loaded into a company car and delivered to the ALS prep lab in Chihuahua. • Samples were checked by ALS and the company was notified of any discrepancies. No discrepancies were reported.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits or reviews were completed.

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Section 2. Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Sampling was conducted over three adjoining tenements, La Verdad (T-218242), El Olvido (T-225527) and Ripley (T-218272). Consolidated Zinc Ltd currently owns 51%
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No relevant information is available.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Plomosas is located in a historic zinc-lead-silver mining district, with mineralisation hosted by a Palaeozoic sequence of shales, argillaceous limestones, reefal limestones, 'conglomeratic' limestones and sandstones. This approximately 1600 metres-thick carbonate-rich sequence forms part of the Ouachita "Geosyncline", which was inverted in a thrust deformation phase during the Upper Palaeozoic Appalachian Orogeny. Characteristics of the deposit lead to the classification as an IRT III type mineralisation (Intrusive Related type III deposit) but may have some distal style affinities. The control on mineralisation is both lithological and structural, but local structural bending of the manto is very important as it is strongly folded in a relatively regular pattern, oriented north/north-west to west/north-west striking. The segment of the fossiliferous horizon with the best potential is north/north-west striking with a south-east plunge. The N/NW orientation of sections of the stratigraphy (due to folding) is considered important in localising mineralisation. The mineralogy is simple, consisting of iron- poor sphalerite, silver- poor galena, pyrite, chalcopyrite, barite, and calcite. The ore bodies are hosted by shale and marble on the footwall and hanging wall respectively. Intense marblisation is restricted to a few meters from the hanging wall contact.

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Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drilling was completed in this phase of exploration
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No data aggregate methods were applied to the results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No drilling was completed to enable any relationship between mineralisation width and intercept lengths
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being 	<ul style="list-style-type: none"> Appropriate diagrams are attached in the report

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Criteria	JORC Code explanation	Commentary
	<i>reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All sample results are reported
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No other relevant data has been reported
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Appropriate information has been included in the report.