

CZL Raises \$6.5m to Accelerate Drilling Program

HIGHLIGHTS

- CZL have received significant demand from new and existing investors, supporting the ongoing resource drilling and continued path to production at the high grade Plomosas Zinc Project.
 - DJ Carmichael Pty Ltd, as Lead Manager, have received firm commitments of AUD 6.5m in an oversubscribed Capital Raising offered to existing and new sophisticated investors.
 - Demand has been driven by the recently announced successful drilling campaign which includes high grade intercepts below the current development.
 - Funding will accelerate an aggressive deeper drilling program and the commencement of regional exploration scheduled to commence during July 2016.
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Consolidated Zinc Ltd (“**CZL**” or the “**Company**”) is pleased to announce it has received firm commitments to place 162,500,000 million fully paid ordinary shares at \$0.04 per share (with a free 1 for 2 unlisted \$0.06, 31 December 2018 option), to raise AUD 6.5 million before costs (“**Capital Raising**”). The issue has been offered to qualified institutional and sophisticated investors in Australia and overseas and will be completed in two tranches with the first utilising the Company’s available 15% capacity by 11 May 2016 and the second subject to Shareholder approval at a later date.

DJ Carmichael Pty Limited have acted as Lead Manager and Corporate Adviser to the Company for the Capital Raising. The Company received additional cornerstone support from its Chairman, Stephen Copulos and a number of major Shareholders who collectively have accounted for approximately 40% of the capital raised in this placement. Blue Ocean Equities and their clients were also significant contributors to the placement.

The funds raised will be used to accelerate the resource drilling that is currently underway both below the current extent of mining in the Cuevitas Zone and at Tres Amigos both of which form parts of the Company’s highly prospective Plomosas Zinc Project in northern Mexico.

CZL’s Managing Director, Mr Will Dix said the exceptional investor demand has been driven by continued strength in the zinc price as well as the outstanding grade and quality of the Plomosas Zinc Project.

“This is a terrific result for the Company and I would like to thank our major shareholders for their ongoing and unwavering support. The recent results we have released to the market from our drilling below Level 7 have gone some way to de-risking the project and the positive response to the Capital Raising reflects the enormous value in the Plomosas Zinc Project. An aggressive drilling program, maiden resource estimate and the onset of regional exploration will all feed in to significant news flow over the remainder of 2016 which will be an exciting time for Shareholders and we look forward to keeping the market informed of our progress.”

Following the placement, the Company has elected not to continue discussions in relation to the facility announced in December 2015 with the Singapore based Funan Group Pte Limited ("**Funan**"). The facility will now lapse with no break fees or penalties incurred by the Company.

The proceeds of tranche 2 of the placement, issue of options and approval of Directors participation are subject to shareholder approval at a meeting to be held at a date to be advised.



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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.