CONSOLIDATED ZINC LTD

29 July 2016

June 2016, Quarterly Activities Report

- **Successful Capital Raising of A$6,500,000 to fund resource drilling and regional exploration;**
- **Drilling results have de-risked the project by confirming the presence of additional mineralisation extending to depth**
  - **Very high grade zinc-lead mineralisation over encouraging widths continue to be obtained from drilling of the Main Manto Horizon sulphide mineralisation below Level 7**
  - **Encouraging results continue to be received from drilling the Tres Amigos mineralisation. Drilling planned from surface to target the up-dip extensions**
- **Regional exploration on the mineralised corridor which hosts the Plomosas mineralisation has commenced**
  - **Detailed geophysical heli-mag and gravity exploration surveys commenced over the mineralised mine corridor**
- **Metallurgical testwork to commence on the sulphide mineralisation with encouraging results for the semi-oxidised sulphide material received**

Consolidated Zinc Limited (CZL:ASX) is pleased to present the following quarterly report.

CORPORATE

During the June quarter the Company raised A$6.5 Million through an over-subscribed placement to new and existing sophisticated investors. Full details of the raising have been provided in the ASX announcement of 6 May, 2016. The issue was strongly supported by existing shareholders and led by DJ Carmichael. The funds are hallmarked for expanding the underground resource drilling program in the sulphide mineralisation below Level 7 and the commencement of regional exploration on the mineralised corridor which hosts the Plomosas mine.

OPERATIONS AND DEVELOPMENT – PLOMOSAS PROJECT, MEXICO

CUEVITAS EXTENSIONAL DRILLING – LEVEL 7 DEEPS

Underground drilling and development continued in Level 7 during the quarter. 18 drillholes, LV7DD013 to LV7030, were completed in the quarter for 1417.25m. Drilling has demonstrated continued mineralisation over several hundred metres of strike and up to 50m down-dip. The progress of the drilling and results as they came to hand were provided in ASX announcements dated April 7, May 23 and June 14.

Drilling highlights for the quarter are summarised in Table 1, with further hole details in Table 3 below. Additional drillholes for which assay results are awaited are also included in Table 3, some of which were completed after the quarter.

Figure 1 illustrates the spatial relationship of the intercepts to date within the mineralised horizon with the pierce points depicted as "grade x True width" symbols to illustrate the relative strength of these intercepts. This also illustrates the pinch and swell nature of the mineralisation which will become more obvious as the infill and extensional resource drilling program continues. The mineralised horizon highlighted in Figure 1 is for Level 7 only.

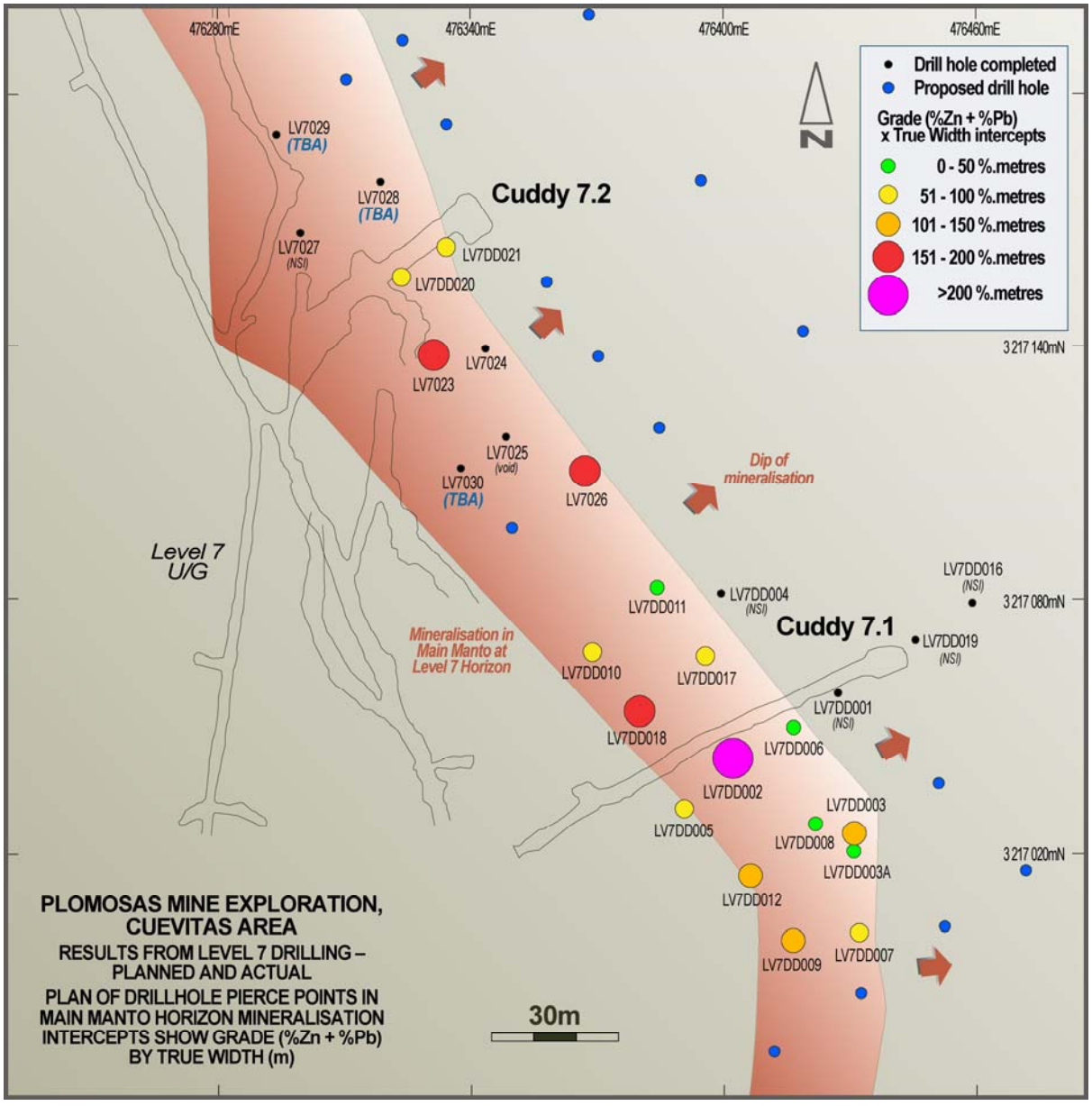

Figure 1: Planned and actual pierce point of holes drilled from Cuddies 7.1 and 7.2 showing strength of intercepts obtained.

Significantly, the drilling to date continues to demonstrate that high grade mineralisation extends below Level 7 (Figures 1,3) which, at approximately 240m below surface, was the deepest ore drive developed at Plomosas. This is a major step in technically de-risking the project and additional results received post the end of the June quarter provided further evidence for the extension of mineralisation to the north.

This provides additional confidence for the ongoing investigations into the underground developments in sub-level 7 and sub-level 8.

Table 1. LEVEL 7 DEEPS
Highlights of resource definition drilling results received

Hole ID	From (m)	To (m)	Inter section (m)	TW* (m)	Zn %	Pb %	Ag g/t	Comment
LV7DD009**	68.45	75.30	6.85	4.70	14.44	6.88	42.58	Intermittent massive sulphide with manto and breccias (interval includes 3m of low grade)
	Includes:							
	68.45	69.45	1.00	0.69	30.59	16.90	127.00	
	73.95	75.30	1.35	0.93	24.40	8.77	42.10	
LV7DD010**	67.50	70.65	3.15	2.10	37.86	4.18	48.96	Massive sulphides within brecciated manto zone
	Includes:							
	67.50	69.65	2.15	1.10	47.92	5.09	63.03	
LV7DD012**	57.15	61.25	4.10	3.30	25.20	12.66	70.73	Massive sulphide within breccia
	Includes:							
	57.15	58.70	1.55	1.25	37.18	17.25	101.00	
L7VDD017	47.55	50.85	3.30	2.60	15.16	10.02	69.77	Intermittent massive sulphides in brecciated marble. Infill hole.
LV7DD018	57.60	62.15	4.55	3.36	33.72	14.32	82.29	Massive sulphide. Hole terminated in abandoned workings.
	Comprises:							
	57.60	58.60	1.00	0.74	41.94	16.90	111.00	
	58.60	59.60	1.00	0.74	36.41	16.85	97.10	
	59.60	60.65	1.05	0.77	37.36	14.90	86.40	
	60.65	62.15	1.11	1.11	23.90	10.50	50.40	
L7VDD020	17.85	19.35	1.50	1.17	32.09	18.10	84.50	Mineralisation intersected below Level 7 stopes
L7VDD021	9.75	11.65	1.90	1.87	32.12	16.75	108.00	Mineralisation continuation from hole LV7DD020
L7V023	59.3	67.8	8.50	3.02	34.99	15.40	158.52	Massive sulphide intersected below Level 7 drives
L7V026	59.3	67.8	8.50	3.02	34.99	15.40	158.52	Massive sulphide within breccia
L7V030	38.25	52.05	13.80	TBA	TBA	TBA	TBA	Massive sulphide within breccia

*TW is True Width and represents the best estimate of the intercept based on the geological interpretation of the sequence.

**Holes LV7DD009 to LV7DD012 were completed in the previous quarter but assays received in the June 2016 Quarter.

Holes LV7028 to LV7030 were also completed within the quarter but assay results are awaited.

Holes LV7031 to LV7032 were completed subsequent to the quarter and assays are awaited.

A third drilling position to the north of the first two drilling positions (Cuddies 7.1 and 7.2) was also commenced during the quarter and is expected to be completed in July 2016. Drilling is planned from this position to extend the drilled panel by a further 100m to the north. The completed and planned development for drilling positions on Level 7 are shown in Figure 2.

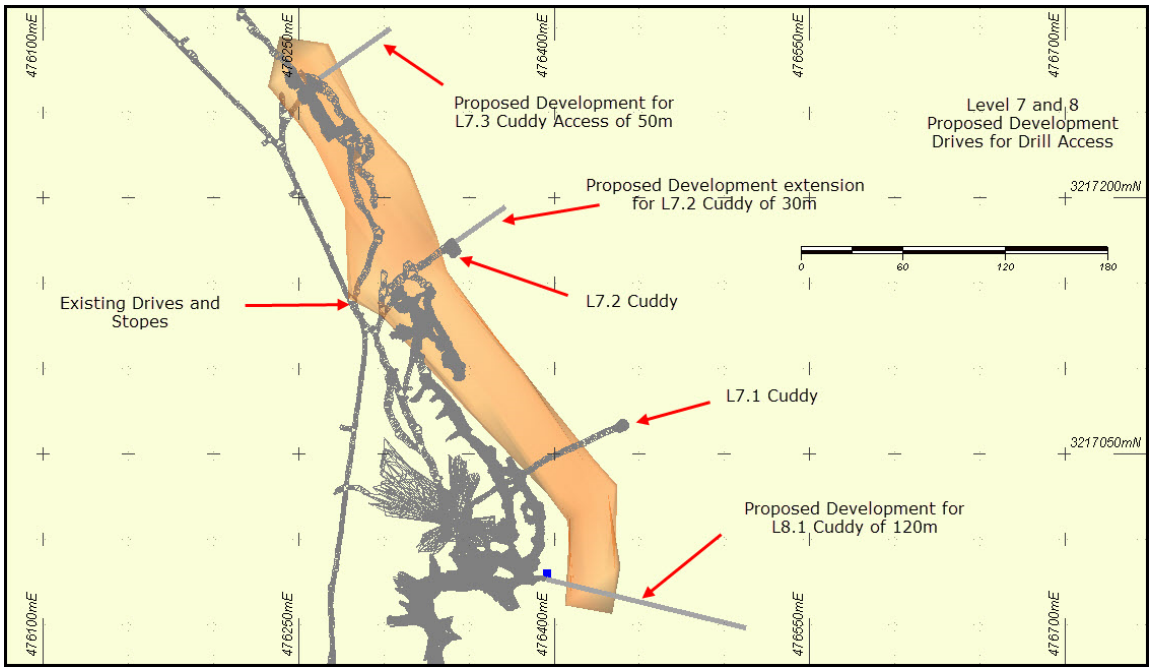

Figure 2. Completed and proposed development locations from Level 7 opening up the down dip and northern and southern extensions of the mineralisation.

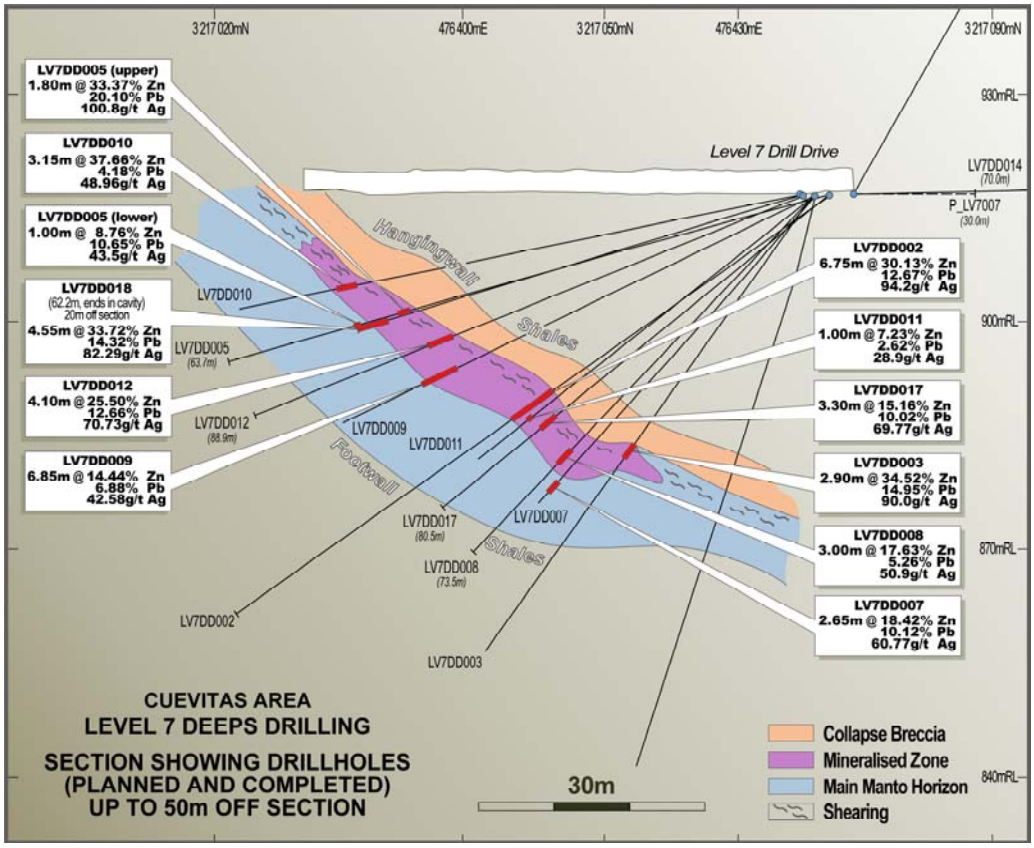

Figure 3. Cross section through Level 7, Cuddy 7.1 showing intercepts and stratigraphy.

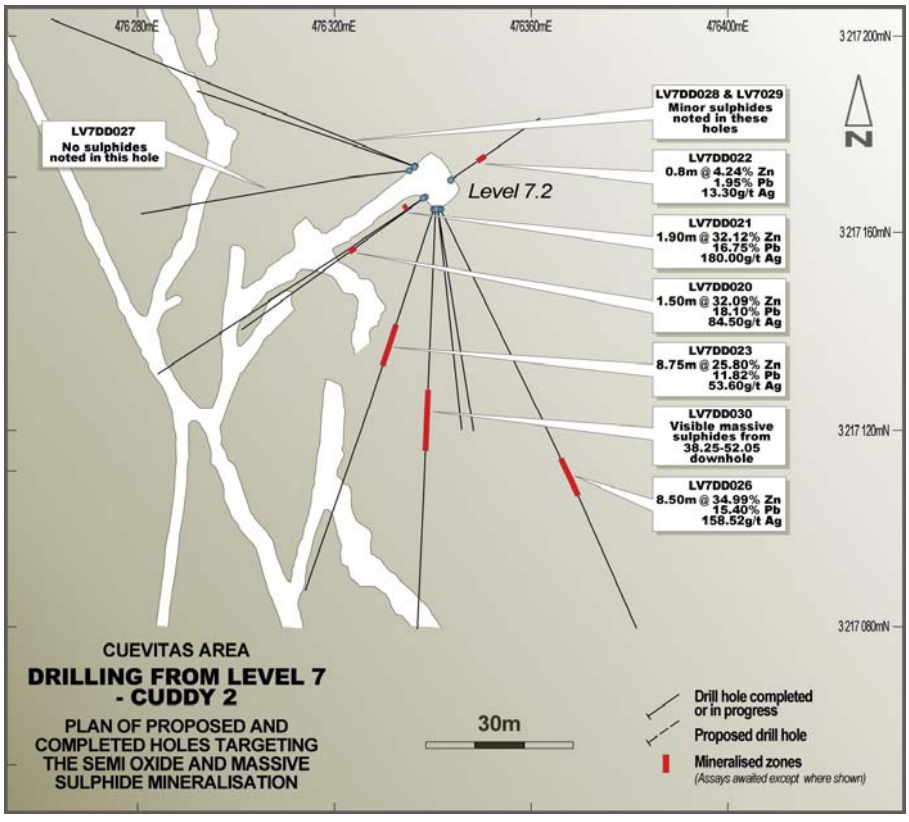

Figure 4. Plan of drill traces from Level 7, Cuddy 7.2 (north of Figure 3) showing intercepts.

TRES AMIGOS DRILLING

Testing of the Tres Amigos horizon continued with holes drilled from surface testing the up-dip and strike extensions of the previously identified mineralisation. Tres Amigos is located approximately 100m into footwall below the main Cuevitas mineralisation in the Main Manto Horizon.

7 drillholes, TRSDD012 to TRSDD018, were completed in the quarter for 1664.5m. Highlights of the results from this drilling are summarised in Table 2 with full hole details provided in Table 3.

Further work on the Tres Amigos zone will concentrate on the area between Tres Amigos and the Juarez mineralisation to the north west and utilise reverse circulation (RC) rigs. These planned holes will be located as shown in Figure 5 by the two lines of drilling across the trend of mineralisation between the Tres Amigos and Juarez mining areas..

Table 2. TRES AMIGOS ZONE
Highlights of resource definition drilling results received

Hole ID	From (m)	To (m)	Inter section (m)	TW* (m)	Zn %	Pb %	Ag g/t	Comment
TRSDD012	125.70	126.70	1.00	1.00	23.50	1.58	17.20	Shale hosted fractures in veins and shears within the shales.
TRSDD013	150.70	151.70	1.00	1.00	12.00	7.65	23.30	Massive sulphides in brecciated limestone.
TRSDD015	166.65	167.65	1.00	1.00	16.75	0.21	6.90	Massive sulphides in brecciated limestone.

*TW is True Width and represents the best estimate of the true width of the intercept based on the geological interpretation of the sequence.

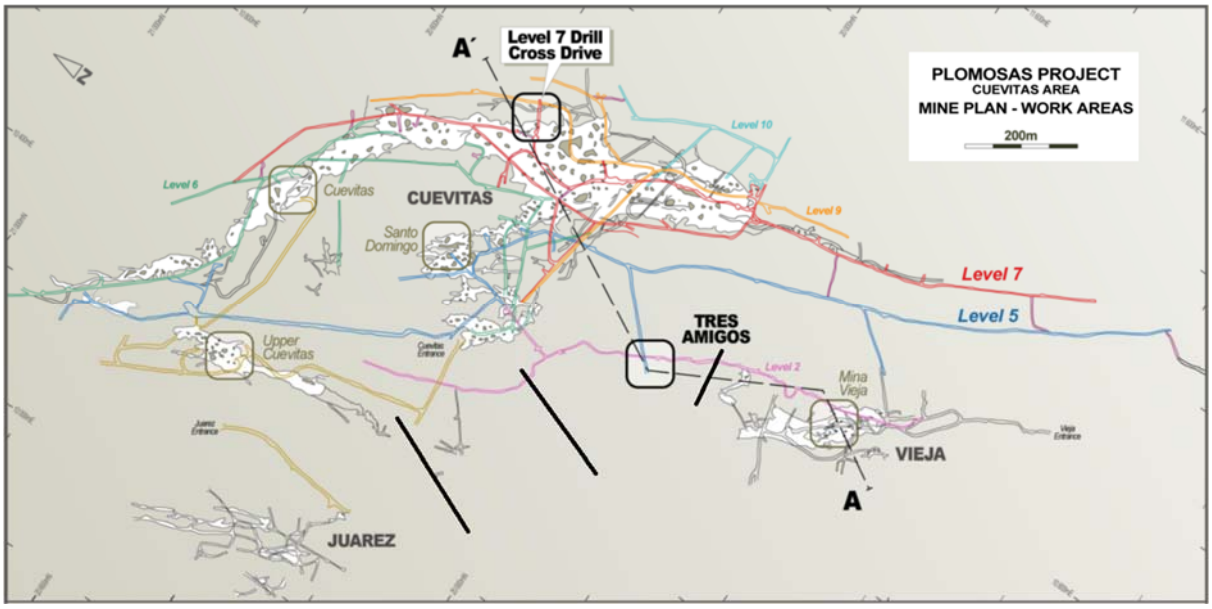

Figure 5: *Approximate positions of proposed drill traverses to test for extensions to the Tres Amigos mineralisation*

METALLURGICAL STUDIES

Metallurgical studies are ongoing with a new suite of drill core samples from Level 7 sulphide mineralisation submitted for analysis.

Petrographic results from the semi-oxidised sulphide material submitted previously confirm the standard nature of the mineralogy and the close relationship between sphalerite and galena.

Preliminary metallurgical results suggest that at around 75 micron grind size, high grade, clean zinc concentrates could be produced along with lead concentrates containing significant zinc. The lead concentrates would benefit from additional back-end cleaning, with perhaps up to four streams, to further separate the lead and zinc. This process would benefit from pre-aeration but not necessarily sulphidisation of the lead concentrate.

While metallurgical studies are ongoing and the semi oxide material needs to be considered alongside the greater tonnage of sulphide material that exists, work to date suggests the type of processing that would be applied to Plomosas ore is not out of the ordinary but industry standard milling, roughers, cleaners, scavengers and regrinding with standard reagents.

REGIONAL EXPLORATION COMMENCES

While underground and resource definition exploration continues, a program of exploration has commenced focusing on the immediate mine sequence over 7 km within the tenement area. This program has several aspect and includes:

- Geological modelling for extensions of the mineralisation out of the mine workings areas;
- Compilation of historical data and discussions with technical personnel who have previously worked in the area and are either with other companies or retired.
- Commencement of heli-mag and detailed gravity surveys of the mine corridor stratigraphy.

Geophysical survey

Detailed geophysical surveys have commenced over an area shown in Figure 6 with programs comprising a close spaced heli-mag survey and detailed gravity.

These surveys are designed to enable the Company to complete a detailed structural interpretation of the area that, coupled with geological mapping, prospecting and gossan sampling, will identify areas for further investigation both near the existing mine infrastructure and along strike within the 7km long mine sequence.

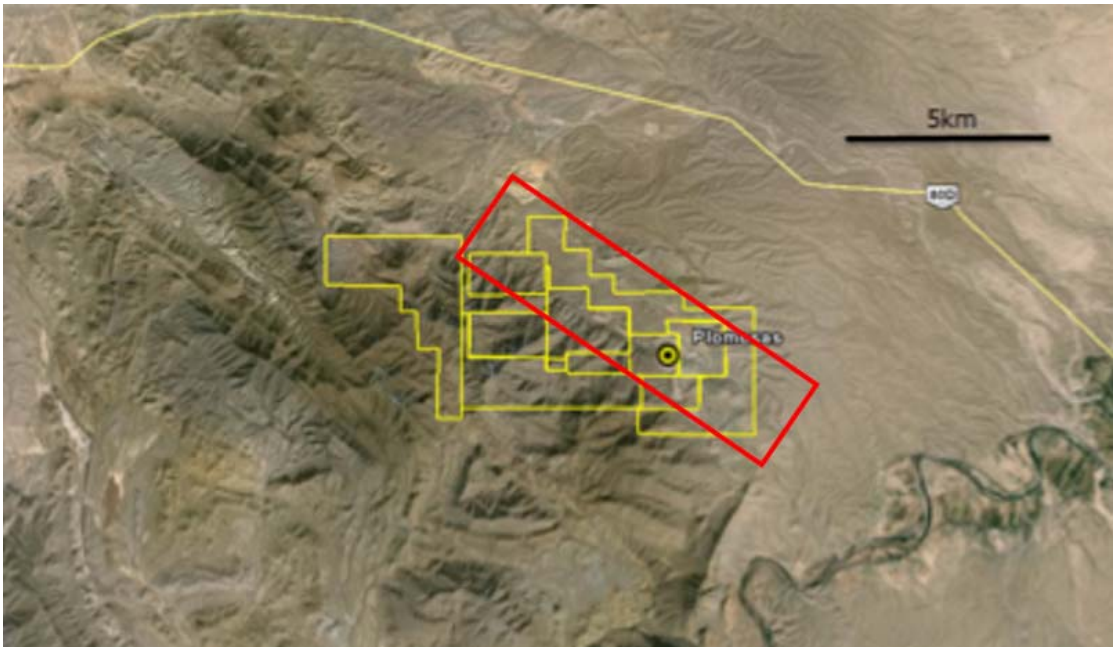

Figure 6. Area (red outline) of proposed heli-mag survey and detailed gravity programs currently in progress.

Yours faithfully,

Will Dix
Managing Director
29 July, 2016

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.

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.

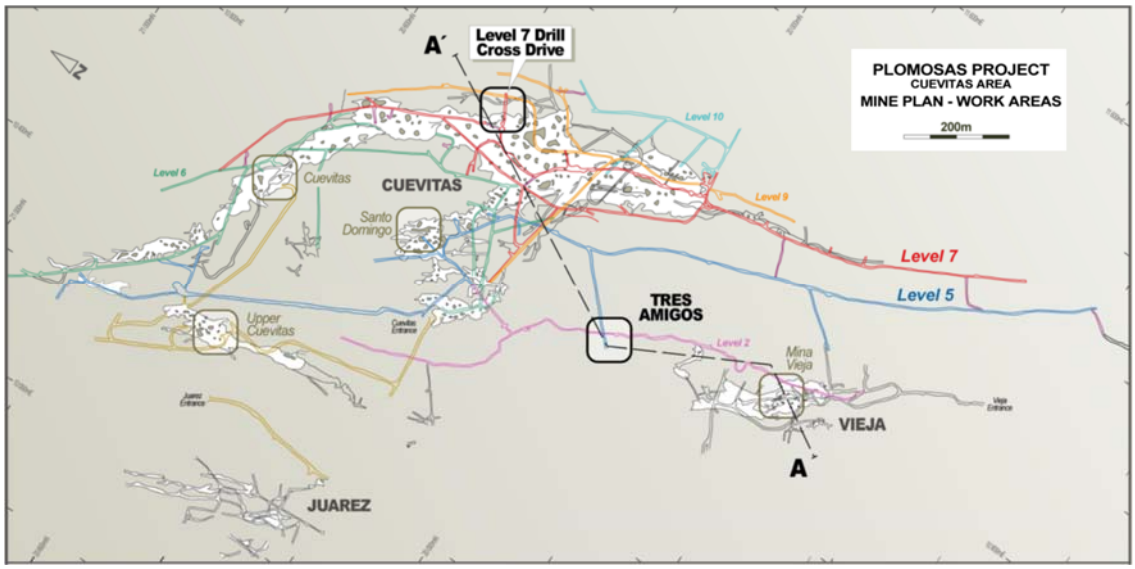

Figure 7. Plan view of the Plomosas mine showing location of the cross section in Figure 6 (trace A-A') and work areas referred to in the text including Level 7 access for drilling the Main Manto Horizon deeps.

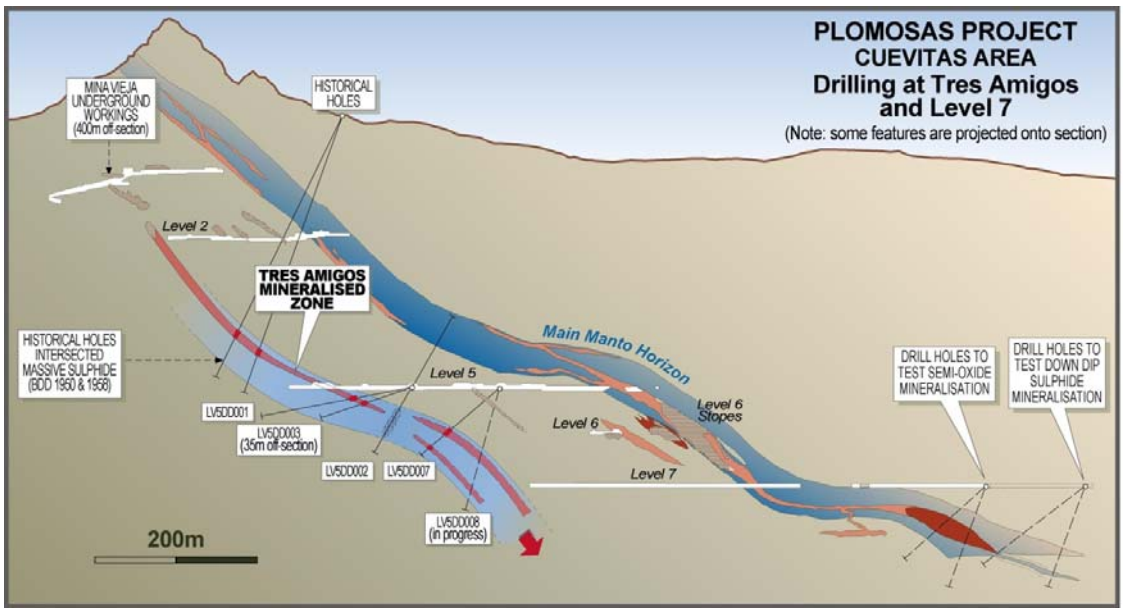

Figure 8. Section view of the Plomosas mine through Cuevitas area (A-A') showing the Tres Amigos zone, historical drilling and the drilling planned for Main Manto Horizon below Level 7.

Table 3. Plomosas Drill hole details

HoleID	Easting WGS84	Northing WGS84	Elev (m)	Dip	Azimuth WGS	RC (m)	Diamond (m)	Total Depth (m)
Tres Amigos drilling								
LV5DD001	476180.451	3216677.613	992.055	-9.81	232.71	0.00	106.00	106.00
LV5DD002	476180.642	3216677.749	990.883	-65.78	237.04	0.00	100.00	100.00
LV5DD003	476181.603	3216676.533	991.810	-14.90	191.09	0.00	72.00	72.00
LV5DD004	476176.705	3216682.597	992.077	-10.37	291.07	0.00	110.00	110.00
LV5DD005	476175.716	3216681.428	992.052	-8.07	264.88	0.00	100.00	100.00
LV5DD006	476185.674	3216680.526	995.212	67.99	57.80	0.00	60.00	60.00
LV5DD007	476245.622	3216722.551	991.136	-44.36	241.13	0.00	149.50	149.50
LV5DD008	476246.339	3216722.606	990.985	-68.08	230.03	0.00	164.40	164.40
LV5DD009	476246.936	3216720.523	991.222	-43.53	188.39	0.00	189.80	189.80
LV5DD010	476245.169	3216723.758	991.461	-45.11	270.67	0.00	110.00	110.00
LV5DD011	476249.889	3216722.902	995.206	73.34	50.75	0.00	80.00	80.00
LV5DD012	476292.500	3216663.500	992.500	-30.00	235.00	0.00	185.80	185.80
TRSRD001	476126.000	3216634.000	1167.072	-65.00	235.00	99.50	76.80	176.30
TRSRD002	476125.066	3216631.648	1167.072	-80.00	235.00	27.50	118.55	146.05
TRSRD003	476168.177	3216603.860	1138.345	-65.00	235.00	141.80	26.20	168.00
TRSRD004	476168.823	3216604.487	1138.285	-80.00	235.00	99.50	110.45	209.95
TRSRD005	476117.799	3216573.206	1142.767	-55.00	235.00	63.00	0.00	63.00
TRSRD006	476118.754	3216573.990	1142.630	-75.00	235.00	93.90	65.65	159.55
TRSRD007	476095.200	3216508.514	1160.126	-50.00	235.00	120.00	0.00	120.00
TRSRC008	476096.235	3216509.469	1160.061	-70.00	235.00	99.00	0.00	99.00

Table 3. Plomosas Drill hole details								
HoleID	**Easting WGS84**	**Northing WGS84**	**Elev (m)**	**Dip**	**Azimuth WGS**	**RC (m)**	**Diamond (m)**	**Total Depth (m)**
TRSDD009	476309.000	3216320.000	1156.000	-50.00	230.00	0.00	149.00	149.00
TRSDD010	476309.000	3216320.000	1156.000	-70.00	230.00	0.00	176.00	176.00
TRSDD011	476309.000	3216320.000	1156.000	-85.00	55.00	0.00	185.00	185.00
TRSDD012	476179.218	3216644.987	1135.965	-75.70	231.05	0.00	188.55	188.55
TRSDD013	476178.808	3216644.706	1136.039	-59.30	233.55	0.00	221.05	221.05
TRSDD014	476244.254	3216652.249	1135.957	-75.00	232.05	0.00	218.10	218.10
TRSDD015	476244.005	3216651.948	1135.976	-60.00	226.85	0.00	241.20	241.20
TRSDD016	476227.966	3216675.777	1142.426	-78.30	233.75	0.00	266.30	266.30
TRSDD017	476135.975	3216678.743	1149.918	-79.90	230.04	0.00	266.25	266.25
TRSDD018	476134.729	3216677.070	1149.804	-65.50	228.34	0.00	263.05	263.05
Level 7 Drilling of sulphide mineralisation at depth								
LV7DD001	476440.310	3217067.060	916.794	-70.00	235.00	0.00	294.70	294.70
LV7DD002	476440.310	3217067.060	916.794	-35.00	235.00	0.00	96.75	96.75
LV7DD003	476440.310	3217067.060	916.794	-40.00	190.00	0.00	98.20	98.20
LV7DD004	476440.310	3217067.060	916.794	-40.00	290.00	0.00	81.90	81.90
LV7DD005	476440.310	3217067.060	916.794	-15.00	235.00	0.00	83.70	83.70
LV7DD006	476440.310	3217067.060	916.794	-55.00	235.00	0.00	156.05	156.05
LV7DD007	476439.910	3217064.683	916.794	-33.00	188.00	0.00	104.15	104.15
LV7DD008	476439.055	3217064.373	916.794	-40.00	206.00	0.00	73.50	73.50
LV7DD009	476439.414	3217064.497	916.794	-20.00	200.00	0.00	108.45	108.45
LV7DD010	476436.464	3217067.013	916.794	-10.00	270.00	0.00	109.50	109.50
LV7DD011	476437.664	3217067.710	916.794	-25.00	285.00	0.00	88.00	88.00
LV7DD012	476438.485	3217064.163	916.794	-20.00	213.00	0.00	88.90	88.90
LV7DD013	476443.110	3217068.300	917.000	0.00	55.00	0.00	69.10	69.10
LV7DD014	476443.110	3217068.300	917.000	0.00	130.00	0.00	70.05	70.05
LV7DD015	476443.110	3217068.300	917.000	60.00	55.00	0.00	43.15	43.15
LV7DD016	476443.110	3217068.300	917.000	-65.00	55.00	0.00	83.75	83.75
LV7DD017	476436.464	3217067.013	916.794	-35.00	268.00	0.00	60.00	60.00
LV7DD018	476436.464	3217067.013	916.794	-16.00	257.00	0.00	62.15	62.15
LV7DD019	476442.200	3217067.828	916.766	-80.00	50.00	0.00	185.00	185.00
LV7DD020	476337.120	3217167.660	915.100	-15.00	235.00	0.00	47.95	47.95
LV7DD021	476337.120	3217167.660	915.100	-65.00	235.00	0.00	153.85	153.85
LV7DD022	476343.000	3217171.000	915.400	-65.00	055.00	0.00	52.05	52.05
LV7023	476343.000	3217165.000	915.800	-8.00	200.00	0.00	83.10	83.10
LV7024	476340.830	3217164.600	915.800	-28.00	174.00	0.00	51.65	51.65
LV7025	476340.800	3217165.010	916.500	-8.00	171.00	0.00	46.50	46.50 (abandoned)
LV7026	476341.460	3217164.790	916.500	-17.00	154.00	0.00	128.30	128.30

Table 3. Plomosas Drill hole details								
HoleID	**Easting WGS84**	**Northing WGS84**	**Elev (m)**	**Dip**	**Azimuth WGS**	**RC (m)**	**Diamond (m)**	**Total Depth (m)**
LV7027	476335.300	3217172.700	916.800	-1.00	264.00	0.00	55.70	55.70
LV7028	476336.230	3217173.390	916.300	-16.00	289.00	0.00	49.05	49.05
LV7029	476336.430	3217173.480	916.800	0.00	292.00	0.00	80.45	80.45
LV7030	476340.470	3217164.780	916.400	-8.00	182.00	0.00	95.45	95.45
LV7031	476341.050	3217164.876	916.130	-21.00	157.83	0.00	46.95	46.95
LV7032	476336.267	3217163.394	916.513	-9.40	315.73	0.00	75.75	75.75

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	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• Sampling of cut channels 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 sampling techniques employed at the Plomosas underground drilling program include saw cut NQ drill core samples. • Only NQ triple tube core (NQ3) is currently being used to drill out the geological sequences and identify zones of mineralisation that may or may not be used in any Mineral Resource estimations, mining studies or metallurgical testwork. • Diamond NQ3 core was sampled on geological intervals/contacts, with the minimum sample size of 0.5m and max 1.2m. • Core was cut in half, with one half to be sent for analysis at an accredited laboratory, while the remaining half was stored in appropriately marked core boxes and stowed in a secure core shed. Duplicates were quarter core, sampled from the half sent for analysis.
Drilling techniques	• *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).*	• Currently NQ3 triple tube using conventional wireline drilling is being used. • Core is being routinely orientated where possible, every 5th run (a run being 1.5 metres in length) using the Reflex ACT II RD core orientation system.
Drill sample recovery	• *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.*	• Diamond core was reconstructed into continuous runs where possible, in an angle iron cradle for orientation mark ups. Depths were checked against drillers blocks and rod counts were routinely carried out by the drillers. • The use of triple tube improved core recovery. • Measurements for core recoveries were logged and recorded on hard copy sheets, which were then loaded into excel sheets and sent for data entry. These measurements, in combination with core photography show the overall recoveries vary between 50-95%. • Due to the nature of the geology and the presence of large open-spaced breccias present in the vicinity of the mineralisation, the recovery of the mineralised core has been in some cases <60%. The use of

Criteria	JORC Code explanation	Commentary
		triple tube in these areas will not improve recovery.
Logging	• *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.*	• CZL system of logging core records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples. • Logging is both qualitative and quantitative depending on the field being logged. • All drill holes are logged in full to end of hole. • Diamond core is routinely photographed digitally
Sub-sampling techniques and sample preparation	• *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.*	• CLZ diamond core is NQ3 size, sampled on geological intervals (0.3 m to 1.2 m), sawn in half or quartered if duplicate samples are required. • Samples to be submitted to ALS Chemex for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 30g charge for 4-acid digest with an ICP-MS or AAS finish. A split will be made from the coarse crushed material for future reference material. • Field duplicates are routinely taken for core samples. CZL procedures include a minimum of one duplicate per approximately 20 samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• All drill samples were submitted to ALS Laboratories for multi-element analysis using a 30g charge with a multi-acid digest and ICP-MS or AAS finish (ME-ICP61). Over the limit results will be routinely reassayed by ore grade analysis OG62. Over the limit results for the ore grade will be reassayed by titration methods Cu-VOL61, Pb-VOL50 or Zn-VOL50. • Analytes include 51 elements and include Ag, Au, Cu, Pb, Zn as the main elements of interest. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion of CRM standards is visible estimation with a minimum of two per batch. Geostats standards were selected on their grade range and mineralogical properties. • Blanks are inserted at the bottom of relevant mineralised zones using the fine certified blank and immediately later the coarse blank, to identify any potential cross contamination. • All drill assays were required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant drilling intersections are noted in this report and are verified by qualified personnel from geological logging. • No twinned holes are being drilled as part of this program. • CZL logging and sampling data was captured and imported using excel sheets and data entered into Micromine. • All CZL drillhole and sampling data is stored in a Micromine based system. Manual backups are

Criteria	JORC Code explanation	Commentary
		routinely carried out.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Underground drill holes were located by Micromine using accurately surveyed drives and stopes. Once drill holes were located, mine survey crew resurveyed the cuddy and the hole locations. A final collar survey will be finalised when the holes are completed. • Down-hole surveys were taken at a nominal 30m interval and a final survey was taken at end of hole using a Reflex EZ-TRAC digital camera. • Grid system used is WGS84 Zone 13
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Hole spacing is currently limited by the confinements of the underground drives. Azimuths of holes are planned so significant intersections have adequate spacing between them to allow sufficient geological and grade continuity as appropriate for inclusion in any Minerals Resource estimations. Where underground access drives allows, drill cuddies have been established at 80 metre intervals to allow for adequate drill spacing. • No sample compositing has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Drill orientations was designed to intersect any geological or geophysical contacts as high an angle as possible to reflect true widths as possible. • Sampling has been designed to cross structures as near to perpendicular as possible, minimising any potential in creating a bais sampling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged in pre-numbered plastic bags into each bag a numbered tag was placed and then bulk bagged in batches not to exceed 25kg, into larger polyweave bags, which were then also numbered with the respective samples of each bag it contained. • The bags were tied off with cable ties and stored at the core facility until company personnel delivered the samples to the laboratories preparation facility in Chihuahua.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed to date, but both in-house and laboratory QAQC data will be monitored in a batch by batch basis. All protocols have been internally reviewed.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• 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	• *Acknowledgment and appraisal of exploration by other parties.*	• No relevant information is available.

Criteria	JORC Code explanation	Commentary
parties		
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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, galena, silver, 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.
Drill hole Information	• *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:* • *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.*	• Appropriate information has been included in the report.
Data aggregation methods	• *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.*	• No data aggregate methods were applied to the results.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *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').*	• No drilling was completed to enable any relationship between mineralisation width and intercept lengths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are attached in the report
Balanced reporting	• *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.*	• All sample results are reported
Other substantive exploration data	• *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.*	• No other relevant data has been reported
Further work	• *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.*	• Appropriate information has been included in the report.