

## Plomosas Production Update – September 2018

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Consolidated Zinc Limited (ASX: CZL, “Consolidated Zinc” or “the Company”) is pleased to provide an update on mine commissioning activities at its Plomosas zinc-lead-silver mine in Mexico, following its first shipment of ore from Plomosas site last month for delivery to the Santa Eulalia concentrator for processing.

The mining contractor mobilised with production commencing on 19 September, 2018 and by month end production was in line with the initial schedule of 100 tonnes per day. 1,245 tonnes of ore were mined by 30 September, 2018 of which 256 tonnes were hauled to surface for shipment off site to Santa Eulalia. 989 tonnes ore remains stockpiled underground awaiting transport offsite including 256 tonnes of lower grade material derived from ore development which will be blended into the high grade shipments.

This achievement occurred despite the usual teething issues arising from the mine commissioning including optimization of truck availability and refining decline access and ore movement from underground.

As part of the commissioning:

- The ventilation system and mine services at Plomosas have been expanded with compressed air, water and power now reticulated through the mine.
- Accommodation and other services have been established, and the Plomosas operating team is providing operational controls and direction for the mine underground development and stoping.
- The first stope to be established is called the 1000 Stope and is in the Tres Amigos Main orebody above the Level 5. This stope will deliver mine production for the coming months.
- CZL has progressed Level 5 ore strike drives in the Tres Amigos Main mineralisation in the SE and NW directions since mobilisation, along with an ore strike drive in Tres Amigos North.

The main decline has a “zig zag” above level 5 where it passes through an old stope of Orebody 32. The central portion of this switchback has a gradient of 22% that is very steep for low profile truck haulage and results in assisted haulage being required through this area. To remove this bottleneck, work on a 60m decline bypass was planned in the original mine design to commence in September for completion in October. This will enable increased ore haulage as cycle times reduce and truck fill factors can increase.

September 2018 Production Reporting:

1. Waste development metres	3	m
2. Ore development metres	14	m
3. Ore mined from development (Lower grade)	284	tonnes
4. High Grade Ore stope mined	705	tonnes
5. Ore hauled to surface and transported to GMSE	256	tonnes

Monthly reporting during the commissioning and ramp up period are planned until the operations achieve steady state production then quarterly reporting will commence.

3 October 2018

CZL CEO Brad Marwood was at site for the first delivery to Santa Eulalia concentrator and to oversee mine development.

*“Since the 20 September shipment, the Plomosas operating team has continued to perform safely while delivering production and development in line with expectations. Production haulage to the surface has been challenging with a “zig zag” in the decline however, we are taking steps to remove this restriction and increase our production once this bypass is complete.”*



*Tres Amigos high grade ore exposed in stope 1000. Note the hanging wall contact in the top left corner of plate with low grade running >5% Zinc. Miner in the bottom right corner shown drilling out the next round.*



**Brad Marwood**  
**Chief Executive Officer**  
**3 October 2018**

#### **ABOUT CONSOLIDATED ZINC**

Consolidated Zinc Limited (ASX: CZL) is a mineral exploration and operations company listed on the Australian Securities Exchange. The Company's major focus is in Mexico where it acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project through its majority owned subsidiary, Minera Latin American Zinc CV SAPI in June 2015. Historical mining at Plomosas between 1945 and 1974 extracted over 2 million tonnes of ore grading 22% Zn+Pb and over 80g/t Ag. The Company's 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 then exploit these new resources.