

Amendment to Notice of General Meeting

Consolidated Zinc Limited (ASX:CZL) (Company or CZL) advises that the Company has prepared the attached amendment to the Notice of the General Meeting to be held on Tuesday, 11 December 2018 at 11.00am (WST) at Level 13, 37 St Georges Terrace, Perth (General Meeting).

Amendment

As disclosed in the Explanatory Memorandum to the Notice of Meeting:

- the Company has exercised its option to acquire an additional 39% of Minera Latin American Zinc S.A.P.I de CV (MLAZ), which owns the Plomosas Project in Mexico. This will increase the Company's total interest in MLAZ to 90%; and
- as partial consideration for the exercise of the option, the Company is required to issue an aggregate of 34,188,034 fully paid ordinary shares in the Company to the "Arena Vendors" (as defined in the Explanatory Memorandum) (Arena Vendor Consideration Shares).

One of the Arena Vendors is controlled by Mr Stephen Copulos, a related party of the Company. Accordingly:

- Resolution 2 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of the Arena Vendor Consideration Shares to the Arena Vendors who are not related parties of the Company; and
- Resolution 3 seeks shareholder approval pursuant to Listing Rule 10.11 for the issue of the Arena Vendor Shares to Mr Copulos (or his nominees).

Subsequent to the issue of the Notice of General Meeting, the Company has been informed by the Arena Vendors that the allocation of Arena Vendor Consideration Shares is such that:

- 14,504,059 Arena Vendor Shares are to be issued to the Arena Vendors who are not related parties of the Company; and
- 19,683,975 Arena Vendor Consideration Shares are to be issued to Mr Copulos (or his nominees).

Resolutions 2 and 3 of the Notice of General Meeting and Explanatory Memorandum have been updated accordingly.

Proxy Forms

The Company confirms that there have been no changes to the Proxy Form previously dispatched to Shareholders. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was provided with the original Notice of General Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.
- If you have already completed and returned the Proxy Form which was annexed to the original Notice of General Meeting and you do not wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of General Meeting, please complete and return the Proxy Form.

30 November 2018

To vote in person, please attend the General Meeting at the time, date and place set out above.

Dated 30 November 2018

BY ORDER OF THE BOARD

For and on behalf of Consolidated Zinc Limited.



Anthony Italiano
Company Secretary

AMENDMENT TO NOTICE OF GENERAL MEETING

This document is an amendment to (and is to be read in conjunction with) the Notice of General Meeting of the Consolidated Zinc Limited ABN 27 118 554 359 to be held at Level 13, 37 St Georges Terrace, Perth, 6000 on Tuesday, 11th December 2018 at 1:00pm (WST).

Resolution 2 – Approval to issue Arena Vendor Consideration Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 3 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 20,512,820 Shares (Arena Vendor Consideration Shares) to the Arena Vendors (and/or their nominees) as deferred consideration for the Arena Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associates of those persons

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 is amended and replaced as follows:

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 3 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 14,504,059 Shares (Arena Vendor Consideration Shares) to the Arena Vendors (and/or their nominees) as deferred consideration for the Arena Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associates of those persons

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Explanatory Memorandum to the Notice (as it relates to Resolution 2) is amended and replaced as follows:

General

At the time of acquiring Arena, the Company agreed with the Arena Vendors that on completion of the Tranche 2 MLAZ Acquisition, the Company would issue \$800,000 worth of Shares at the same issue price as the Shares issued to the Mexican Vendors as deferred consideration for the Company's acquisition of 100% of the issued capital of Arena (Arena Acquisition).

As noted in Section 3.1 (to the Explanatory Memorandum), the issue price of Shares to the Mexican Vendors pursuant to the Tranche 2 MLAZ Acquisition is the 30 Day VWAP prior to the date the Company exercises the Option, being \$0.0234 per Share. Accordingly, the Company proposes to issue an aggregate of 34,188,034 Shares to the Arena Vendors. 14,504,059 of these Shares will be issued to the Arena Vendors (other than the related party of Stephen Copulos) subject to approval of Resolution 2. The remaining 19,683,975 Shares will be issued to the related party of Mr Stephen Copulos subject to approval of Resolution 3.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Arena Vendor Consideration Shares to the Arena Vendors as deferred consideration for the Company's Arena Acquisition.

Shareholder approval is being sought under Listing Rule 7.1 for Resolution 2 to preserve the Company's 15% capacity under Listing Rule 7.1.

Resolution 2 is an ordinary resolution.

Specific Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- a) The maximum number of Shares the Company will issue under Resolution 2 is 14,504,059 Shares.
- b) The Arena Vendor Consideration Securities will be issued to the Arena Vendors (other than the related party of Mr. Stephen Copulos) (and/or their nominees) who are not related parties of the Company. The issue of the Copulos Arena Vendor Consideration Shares to the related party of Mr. Copulos is subject to approval of Resolution 3 (refer to the Explanatory Memorandum to Resolution 3).
- c) The Arena Vendor Consideration Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended all of the Arena Vendor Consideration Shares will be issued on the same date.
- d) The Arena Vendor Consideration Shares will be issued for nil cash consideration as they are being issued as deferred consideration for the Arena Acquisition. Accordingly, no funds will be raised from the issue of the Arena Vendor Consideration Shares.
- e) The Arena Vendor Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- f) A voting exclusion statement is included in the Notice.

Resolution 3 – Approval to issue Copulos Arena Vendor Consideration Shares to Stephen Copulos

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 2 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 13,675,214 Shares (Copulos Arena Vendor Consideration Shares) to a related party of Mr. Stephen Copulos (and/or his nominees) as deferred consideration for the Arena Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Stephen Copulos and his related parties, and any associates of those persons

- g) However, the Company will not disregard a vote if:
- h) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- i) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 is amended and replaced as follows:

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 2 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 19,683,975 Shares (Copulos Arena Vendor Consideration Shares) to a related party of Mr. Stephen Copulos (and/or his nominees) as deferred consideration for the Arena Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr. Stephen Copulos and his related parties, and any associates of those persons

- a) However, the Company will not disregard a vote if:
- b) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- c) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Explanatory Memorandum to the Notice (as it relates to Resolution 3) is amended and replaced as follows:

General

Resolution 3 seeks Shareholder approval under Listing Rule 10.11 to issue the Copulos Arena Vendor Consideration Shares to a related party of Mr Stephen Copulos (or his nominee).

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr. Copulos (and his related party) are related parties of the Company by virtue of being a Director (and a related party of a Director). Accordingly, Shareholder approval is required under Listing Rule 10.11 for the issue of Shares to the related party of Mr. Copulos as deferred consideration for the Arena Acquisition.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Shares to the related party of Mr Copulos means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is an ordinary resolution.

Specific Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- a) The maximum number of Shares to be issued to the related party of Mr. Copulos (or his nominees) is 19,683,975 Shares.
- b) The Company will issue the Copulos Arena Vendor Consideration Shares no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that all of the Copulos Arena Vendor Consideration Shares and the Arena Vendor Consideration Shares will be issued on the same date.
- c) Mr. Copulos (and his related party) are related parties of the Company by virtue of being a Director (or a related party of a Director).
- d) The Copulos Arena Vendor Consideration Shares will be issued for nil cash consideration as they are being issued as part of the deferred consideration for the Arena Acquisition. Accordingly, no funds will be raised from the issue of the Copulos Arena Vendor Consideration Shares.
- e) The Copulos Arena Vendor Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- f) A voting exclusion statement is included in the Notice.

The amendments above give effect to all consequential changes in the Notice of General Meeting and Explanatory Memorandum where applicable. All other aspects of the Notice of General Meeting and Explanatory Memorandum remain unchanged.

-ENDS