AUSTRALIAN SECURITIES EXCHANGE
ANNOUNCEMENT AND PRESS RELEASE

September 2015 Quarterly Activities Report

October 28, 2015

- **Very High grade zinc grades discovered in footwall to main mineralisation – named Tres Amigos horizon;**
- **De-watering completed and underground development underway in Level 7;**
- **A$1M drawdown facility put in place with major Shareholder, the Copulos Group;**
- **Key contracts and personnel locked in.**

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

CORPORATE

Following the completion of the share consolidation in June, the Company also decided to enter into an agreement with a sophisticated investor to buy the ordinary shares of shareholders who held shares in the Company valued at less than a "marketable parcel". This was completed late in the Quarter and the Company's number of Shareholders reduced from approximately 1,500 to 700. This will result in a considerable saving on administration related expenditure.

Agreements were reached between the Company and several corporate advisory groups to help with the marketing of the Plomosas Project to a wider investor audience and to introduce prospective investors.

OPERATIONS AND DEVELOPMENT

Mexico

As detailed in the ASX release of September 22, the Company announced the discovery of the Tres Amigos mineralisation in the footwall to the Main Manto Horizon at Plomosas. Drilling targeted Tres Amigos following mapping and rock chip sampling that returned very high results of up to almost 30% Zn. Drill access and possible future mining access was enhanced by the existence of underground development that had already been established on Level 5.

The first three drillholes of the program were completed with visible sulphide mineralisation encountered in all holes. Holes LV5DD001 and LV5DD003 both intersected thick zones of massive sulphides recognised as sphalerite, galena and pyrite hosted in a shear zone within a silicified and brecciated limestone unit, named the Juarez Limestone. LV5DD002 intersected a thick sequence of weakly mineralised limestones containing disseminated sulphides in an area of compression caused by shallowing of the mineralised sequence. The thickness of massive sulphide mineralisation varies with dip of the horizon and was up to 3.3m true width in hole LV5DD001. Drilling continued subsequent to the end of the month and the current status is shown in Figure 1.

In addition to the underground drilling completed by Consolidated Zinc, further investigation into historic drill data has identified 2 surface holes drilled through an up-dip projection of the Tres

Amigos mineralisation. Both holes intersected reported massive sulphides in the drill core. The approximate position of these holes is shown on Figure 1.

Analytical results were received subsequent to the end of the quarter and were reported separately. The final assays are found in Table 1.

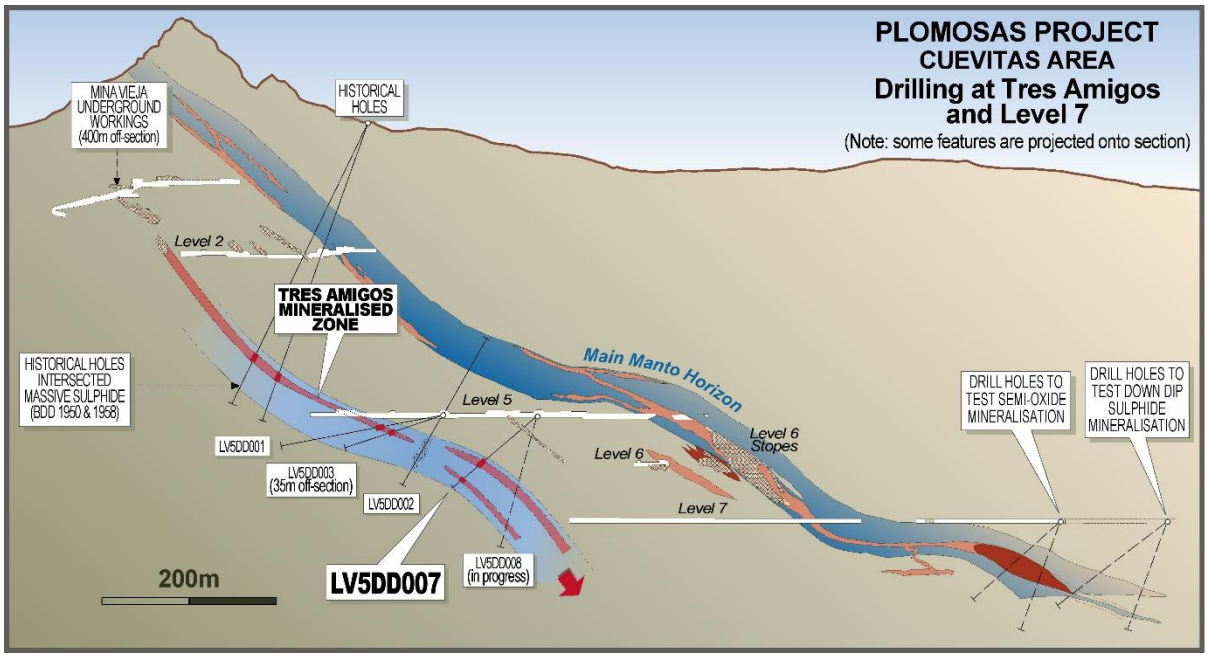

Figure 1. Showing the drill hole locations at Tres Amigos. LV5DD002 is below LV5DD001 and LV5DD003 is off section and 30m along strike.

Table 1. Summary of drill intercepts, Tres Amigos area. (Plomosas Mine drilled from Level 5 Cuddy 1)									
Hole ID	Co-ordinates	Azi/Dip	From (m)	To (m)	Inters (mdh)	Approx TW* (m)	% Zn	% Pb	g/t Ag
LV5DD001	476181.82mE 3216678.05mN 990.81mRL	235°/-10°	20.70	21.30	0.60	0.42	5.00	1.52	13.7
			21.30	22.20	0.90	0.64	20.30	0.99	11.1
			22.20	23.45	1.25	0.88	2.58	0.11	9.3
			34.10	34.80	0.70	0.50	8.59	0.29	8.2
			39.05	40.05	1.00	0.70	**32.82**	5.31	26.5
			40.05	41.05	1.00	0.70	**44.98**	5.78	40.2
			41.05	42.05	1.00	0.70	**46.45**	1.29	26.5
			42.05	43.05	1.00	0.70	**38.31**	3.63	34.9
			43.05	43.75	0.70	0.49	**51.68**	8.11	37.1
LV5DD002	476181.82mE 3216678.05mN 990.81mRL	235°/-60°	13.00	14.10	1.10	1.10	1.06	0.08	4.1
			22.25	23.20	0.95	0.95	2.32	0.31	4.7
			28.30	29.45	1.15	1.15	2.04	0.17	2.4
			29.45	30.50	1.05	1.05	2.13	0.26	2.5
			90.90	92.40	1.50	1.50	3.35	0.08	14.9

LV5DD003	476181.82mE 3216678.05mN 990.81mRL	190°/-15°	20.75	21.75	1.00	0.60	3.34	0.70	10.2
			21.75	22.65	0.90	0.55	26.60	3.45	19.9
			22.65	23.55	0.90	0.55	20.10	0.66	7.8
			23.55	24.45	0.90	0.55	5.34	2.85	14.0
			24.45	25.35	0.90	0.55	12.45	0.37	10.1
			25.35	26.20	0.85	0.52	**32.97**	0.97	25.0
			26.20	26.85	0.65	0.40	6.43	0.76	13.2
			36.55	37.45	0.90	0.54	**31.85**	0.07	12.0
			37.45	38.40	0.95	0.57	**31.36**	0.07	14.2
			38.40	39.60	1.20	0.72	2.82	0.01	1.7
			39.60	40.70	1.10	0.66	25.70	0.07	5.2

Drill hole intersections are listed below with final assays:

LV5DD001	0.90m at 20.3% Zn, 0.99% Pb, 11.1 g/t Ag from 21.3m (app TW 0.64m) **4.70m at 42.28% Zn, 4.61% Pb, 32.78 g/t Ag from 39.05m (app TW 3.30m)**	Dilational zone of the Tres Amigos footwall horizon.
LV5DD002	No intercepts met lower cut-off criteria >10% Zn+Pb. Anomalous Zn and Ag values only (Table 1).	Intersected Tres Amigos horizon in thinner area of compression.
LV5DD003	**4.45m at 19.34% Zn, 1.67% Pb, 15.25 g/t Ag from 21.75m (app TW 2.70m)** **4.15m at 21.71% Zn, 0.05% Pb, 7.72 g/t Ag from 36.55m (app TW 2.50m)**	Dilational zone of the Tres Amigos footwall horizon.

Note: Hole LV5DD003 is 35m away and along strike from LV5DD001

Work also continued during the quarter on underground works both in preparation for exploration drilling program in Level 7 and continued upgrading work in Level 5, the key achievements are as follows:

- Dewatering to below Level 7 was completed;
- Surveying of underground development in Level 6 is complete and underway in Level 7;
- Inspections and refurbishment of main access areas to Level 7 commenced;
- Geological mapping and identifying best positions for drilling in Level 7 also commenced.
- In order to improve the natural underground ventilation in and around the work areas, existing vertical shafts have been opened.

SWEDEN

During the quarter the Company announced it had withdrawn from the Varmland Project in western Sweden.

AUSTRALIA

At Jailor Bore the Company continues to undertake a detailed review of the project to determine the most efficient and cost effective way to move the project forward. Several prospects remain underexplored and recent tenement acquisitions in the area by large uranium focused explorers continue to validate the prospectivity of the region.

Yours faithfully,

Will Dix
Managing Director
28 October 2015

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.

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.

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	• *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 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	• *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).*	• No drilling was conducted at this phase of exploration

Criteria	JORC Code explanation	Commentary
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.*	• No drilling to recover drill samples was conducted at this phase of exploration
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.*	• 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	• *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.*	• No drilling to recover core samples was conducted during this phase of exploration.

Criteria	JORC Code explanation	Commentary
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.*	• 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.
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.*	• 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	• *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.*	• 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.
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.*	• Sampling space was 10 metres along areas of mineralisation or in areas of interest. • No compositing of samples was completed.

Criteria	JORC Code explanation	Commentary
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.*	• Orientation of the sampling completed was across the strike of contacts or structures to achieve an unbiased sample
Sample security	• *The measures taken to ensure sample security.*	• 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	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews were completed.

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	• *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%

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No relevant information is available.
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, 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.

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*
		• No drilling was completed in this phase of exploration

Criteria	JORC Code explanation	Commentary
	○ *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.*	
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.
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

Criteria	JORC Code explanation	Commentary
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.