RESEARCH

Resources

Consolidated Zinc Ltd (CZL)

7 October 2015

RECOMMENDATION

Speculative Buy

12 month volume	672.4m
12 month share low	$0.02
12 month share high	$0.08
Market Risk	High
Liquidity Risk	High
Infrastructure Risk	Med
Country Risk	Med

IRESS & DJC Research

ISSUED CAPITAL

ASX	CZL
Share price	$0.036
Mkt cap[1]	$7.7m
Ordinary shares on issue	219.7m
Listed options	23.4m
Unlisted options	27.5m

Source: IRESS

DIRECTORS

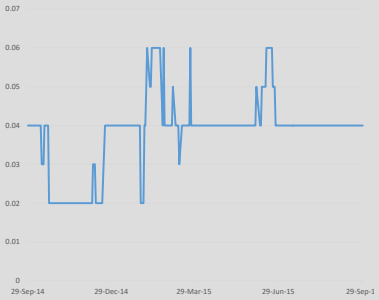
Stephen Copulos	Chairman
Will Dix	CEO
Andrew Richards	Exec Director
Louis Valles	Non-Exec Director

MAJOR SHAREHOLDERS

Copulos Group	19.9%
Compania Retec	11.4%
Tonka Trading	5.6%

As at 25 September 2015

12 MONTH PERFORMANCE



Source: FactSet

Paul Adams
Head of Research
08 9263 5200

CZL has acquired a 51% stake in the very high grade zinc project located in the Chihuahua Province in Northern Mexico. Production from the project is currently suspended pending exploration, approvals and a FID but can be relatively easily, and at low cost, ramped up to meaningful production rates. Mined previously by ASARCO Grupo Mexico, (and over the last two decades by a private family group), the project produced at least 2.2Mt at 16% Zn and 8% Pb with a significant 60g/t Ag credit. CZL will undertake resource drilling and a Scoping Study over the next 9 months culminating in a development decision by June 2016.

Key Points

- **2 Stage earn-in process**: The acquisition to take an 80% interest is divided into 2 stages. An initial 51% stake has been acquired through the acquisition of Arena Resources (for $150,000), which owns the option to acquire 51% of the project through a payment to the Mexican vendors (Retec Mexico) of $400,000 in cash and 37.5m CZL shares. The project is held through the Mexican registered company, Latin American Zinc, of which the vendors own 49% and CZL owns 51%. A further 29% can be acquired from the vendors for $750,000 in cash and an equivalent $2,500,000 in CZL shares, at which point the vendors are free carried through a feasibility study.

- **Existing mine and processing infrastructure:** There are currently three portals with the bulk of historic production coming from the Cuevitas portal which has a decline and shaft accessing 10 Level at 250m below surface. Workings to 7 Level have been de-watered to allow for resource drilling, mapping and sampling. The mine infrastructure can currently handle approximately 1,000tpd from multiple headings. The concentrate has historically been clean with only minor elements present apart from Zn-Pb-Fe-Ag. The on-site pilot scale plant can be upgraded to 200tpd for a relatively small capex (US$1.0m) but a new concentrator would be required beyond this production rate. Estimated capex for a new concentrator is circa $21.5m plus capital to upgrade mobile plant.

- **Quick timeframe to development decision:** CZL intend to release a JORC compliant resource estimate by Q4 2015 with a Scoping level study issued in 1/2Q 2016. A development decision is targeted for mid-2016. This is a relatively short timeframe and reflects the advanced nature of the project and the fact that the decision is more around a ramp up in operations rather than a commencement. CZL are targeting a minimum 5 year mine life for Stage 1 with production ramping up to 250,000 to 300,000 tonnes per annum. This production rate would require a new concentrator.

- **Exploration target would rank well against industry peers**: CZL has placed an exploration target on Plomosas of between 2.9Mt to 3.2Mt at 15% - 25% Zn+Pb and 40-60g/t Ag. This target is similar to the Thalanga resource owned by Red River Resources (RVR-AU) which will be in production by December 2015 and similar to Atherton Resources' (ATE-AU) King Vol resource, currently under a unsolicited on-market takeover offer by the private equity firm, Denham Capital, valuing Atherton at $55m. Both RVR and ATE have market capitalisations far in excess of CZL.

- **Speculative Buy recommendation**: Plomosas has a number of attributes that enable relatively fast monetisation of resources and reserves. However, successful exploration is still the key to generating value. New discoveries in the footwall and evidence of continued mineralisation down dip in the Main Zone suggests that the exploration target is reasonable. Speculative Buy.

CZL acquires high grade zinc opportunity in Mexico

CZL has acquired an initial 51% interest in the Plomosas Zinc-Lead-Silver mine in the Chihuahua Province, northern Mexico. The Plomosas property is located just 90km from a zinc concentrator and 110km from the Provincial capital, Chihuahua City, a 2 hour flight from Dallas or Houston. Chihuahua is Mexico's largest zinc producing Province and Mexico is the world's 6th largest zinc producer.

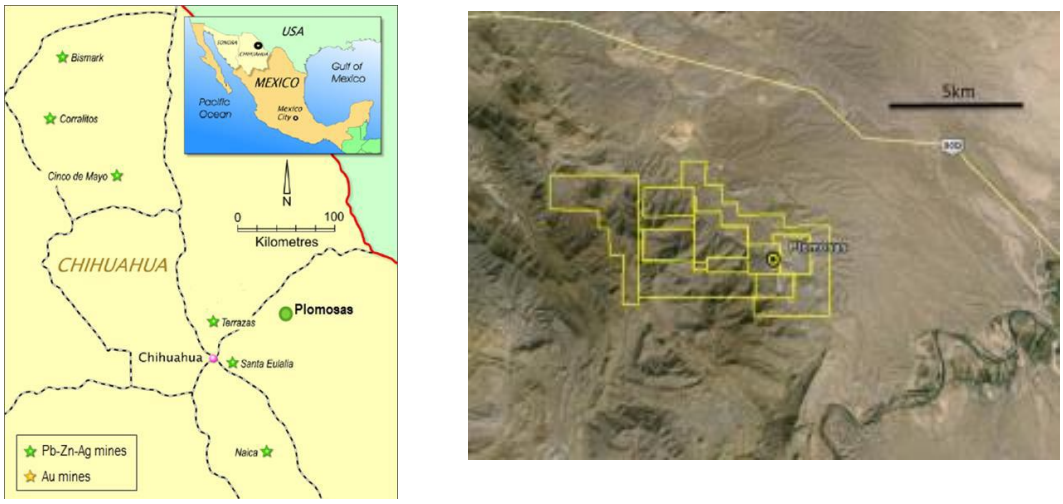


Figure 1. Location and surrounding mines

The project covers 11 Exploration and Exploitation Concessions totalling 3,019Ha with an extensive history of exploration and development and a mine already developed to 270m below surface.

Deal structure

The acquisition to take an 80% interest is divided into 2 stages. An initial 51% stake has been acquired through the acquisition of Arena Resources (for $150,000), which owns the option to acquire 51% of the project through a payment to the Mexican vendors (Retec Mexico) of $400,000 in cash and 37.5m CZL shares. The project is held through the Mexican registered company, Latin American Zinc, of which the vendors own 49% and CZL owns 51%. A further 29% can be acquired from the vendors for $750,000 in cash and an equivalent $2,500,000 in CZL shares, at which point the vendors are free carried through a feasibility study.

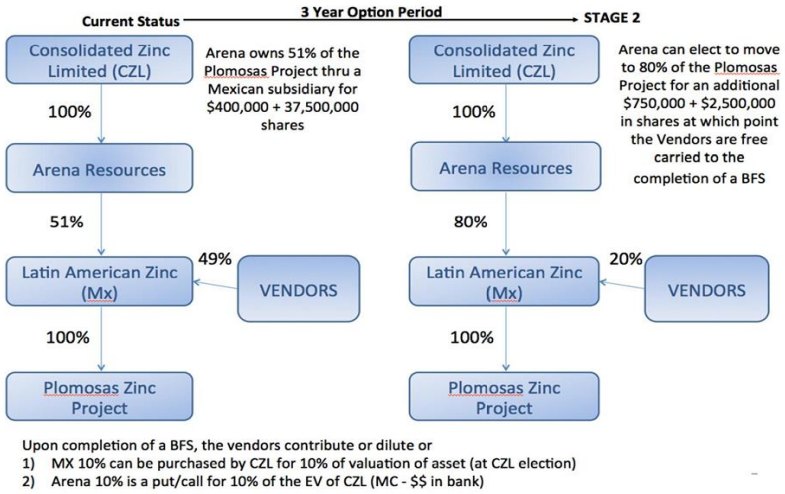


Figure 2. 2-Stage deal structure to acquire Plomosas

CZL is acquiring a producing asset

The acquisition of Plomosas immediately places CZL on the cusp of production. Expansion from the current level of production and upgrading the operations into a commercial size will be the short term goal for CZL. The company is targeting a development decision within approximately 12 months.

The asset is a low cost, low capex project that fits our investment criteria for small capitalisation companies at present. Most mining approvals are already in place and the project has 40 year mining leases however, the operation will be shut for 6 months in order to apply for the permits to re-start.

This period will also provide time to undertake the first phase of exploration drilling; to establish modern underground mining protocols; to de-water the lower parts of the existing mine infrastructure; to undertake underground development to establish drilling platforms in the hanging wall, which will subsequently lead to a JORC resource and underground mining schedule.

Historic and current mining at Plomosas

ASARCO Grupo Mexico mined the deposit until 1974, extracting 2.2Mt at a grade of 16% Zn, 8% Pb and 60g/t Ag. The deposit had 20,000 tonnes pvm (per vertical metre) at 24% combined Zn+Pb.

Mining has only occurred intermittently since 1975 and the deposit is currently being mined on a small scale (90-100tpd) by the current owners, focusing on remnant material above 5 Level.

There are currently three portals with the bulk of historic production coming from the Cuevitas portal which has a decline and shaft accessing 10 Level at 250m below surface. Workings on 7 level have just been dewatered, providing access to development faces that will be extended to provide for a drill drive in the hanging wall. No development mining is currently being undertaken.

Geotechnics

Geotechnically, the declines have surprisingly minimal ground support. Part of this can be explained by the competency of the host and country rock. The limestone units that host much of the mineralisation display some silicification although a local term, ‘marble’ has been used to describe this. Even the shale units display reasonable competency. CZL will likely target certain areas in the mine that may require additional support and adjust and improve mining procedures around working faces and drill cuddies.

Mining Methods

The ore body has been mined with a typical room and pillar technique, exploiting the relatively shallow dipping manto horizons in stratiform sheets. Higher angle ‘chimney’ structures are believed to be feeder structures to the low angle mineralisation. The preferred mining method going forward could be a combination of cut-and-fill and room-and-pillar to maximise ore recovery.

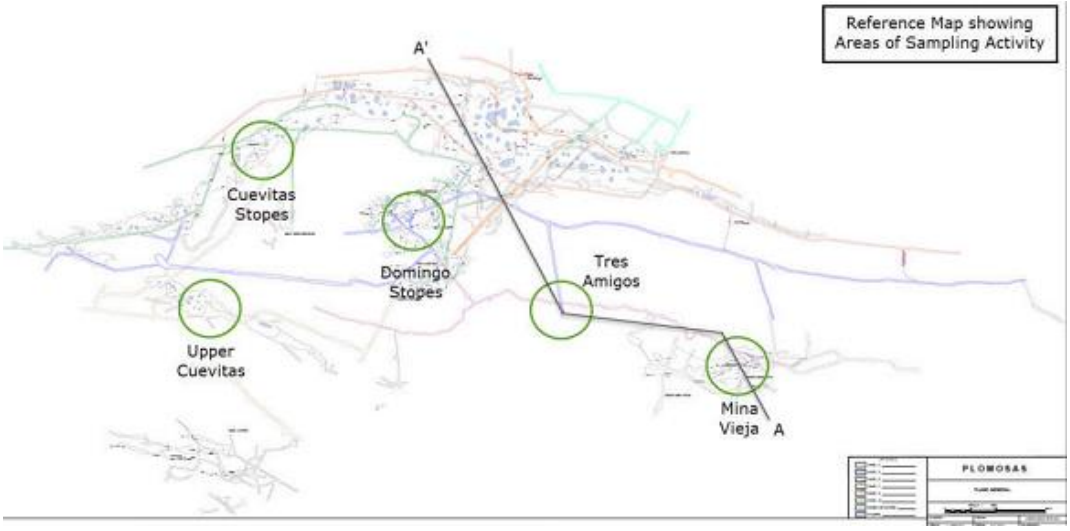


Figure 3. Development plan of the Plomosas Mine Source: CZL

Underground development is extensive as can be seen from the plan diagram above. The ore body is not yet closed off either to the east or west or down dip. The recent discovery of a footwall lode (see below) adds potential to discovery other parallel lodes in the sedimentary sequence.

The declines are 3.5m x 3.0m and mining uses traditional drill and blast techniques. An increase in future planned production rate would most likely require a revision of decline dimensions and haulage strategy. The mine infrastructure can currently handle approximately 1,000tpd from multiple headings but an increased mining rate would also likely make use of the existing shafts that would be used to hoist ore once they were rehabilitated.

Figure 4. Room and Pillar mining in Stopes on 5 Level Source: CZL

Milling and processing options

Prior to the cessation of mining earlier this year, ore was being trucked to a concentrator near Chihuahua 90km from the project site. The ore is batch processed and the resulting zinc and lead concentrate trucked 1,700km to the port of Manzanillo where it was sold under an existing contract. However, silver credits were not made available to the vendors and with no metal balancing at the concentrator, the vendors were forced to take what they were given. The current off-take agreement has been fulfilled and the Mexican holding company no longer has any hold on company assets.

We believe the ore, given its grade and lack of deleterious elements, is an excellent blending ore for off-takers and would be a highly sought after concentrate by a number of off-take parties.

There is a small (90 tpd) concentrator on site but this is not being utilised. CZL could recommission the concentrator to reduce capital and operating costs but would likely increase the capacity to 200 tpd for a relatively small capex of US$1.0m. However a new concentrator would be required beyond this production rate. Estimated capex for a new 500 tpd concentrator is circa US$21.5m but this could be reduced by employing second hand components.

The current concentrator consists of

- a 2-stage crushing and screening circuit;
- 2 small ball mills;
- 2 x 4 float cells;
- 2 thickeners (never used).

Upon inspection CZL believe that electrical components need replacement and an up-grade to the primary and secondary crushing circuit would likely be required. In addition, CZL would likely construct a filter at the back-end of the circuit to dry the concentrate, making for a more efficient process than air-drying to reduce the moisture content prior to trucking.

We believe there may also be an opportunity to use a small-scale DMS plant to beneficiate the ore prior to feeding the concentrator to derive higher grade product and increase concentrator plant efficiency.

Photo 1. Looking from the crusher, over the ball mill towards the float cells

Photo 2. Looking towards the 2 thickeners, one for Zn, the other for Pb

Figure 5. Photographs of the current 90 tpd plant Source: DJC

The concentrate has historically been clean with only minor elements present apart from Zn-Pb-Fe-Ag. The concentrator on-site provides for the production of separate lead and zinc concentrates. Silver reports to the lead concentrate.

CZL are targeting a minimum 5 year mine life for Stage 1 with production ramping up to 250,000 to 300,000 tonnes per annum which would require building a new concentrator on-site.

Current work Program

CZL intend to release a JORC compliant resource estimate by Q4 2015 or early 2016 with a Scoping level study issued in 1/2Q 2016. A Stage 2 exploration drilling program later in Q1 16 will target extensional areas and new targets.

The currently published exploration target for Stage 1 is 2.9Mt to 3.2Mt at 15% - 25% Zn+Pb and 40-60g/t Ag. CZL has approximately 6km strike of mineralised horizon within its tenement package but the focus initially will be directed towards proximal drilling on mine extensions.

A development decision is targeted for mid-2016. This is a relatively short timeframe and reflects the advanced nature of the project and the fact that the decision is more around a ramp up in operations rather than a commencement.

New discovery of Footwall zone

CZL has recently discovered the down-dip extensions of an undeveloped footwall zone in the Cuevitas area. CZL believe that this zone has been mined at Vieja area 400m along strike to the SSE and in the Juarez area, some 800m along strike to the NW. Access to the zone is from the Tres Amigos development on 5 Level, where the current drill program, involving both up holes and down holes from an exploration drive, aim to delineate mineralisation not yet included in the current exploration target. Exploration drilling was initiated here first to allow time for 7 Level to be de-watered.

The FW mineralisation appears to be around 2.5 to 3.5m in true thickness and contains massive sulphide in the form of galena, sphalerite and pyrite. The lode appears, and is expected, to mimic the orientation of the main lode above, as the sedimentary rocks have been affected by the same tectonic events.

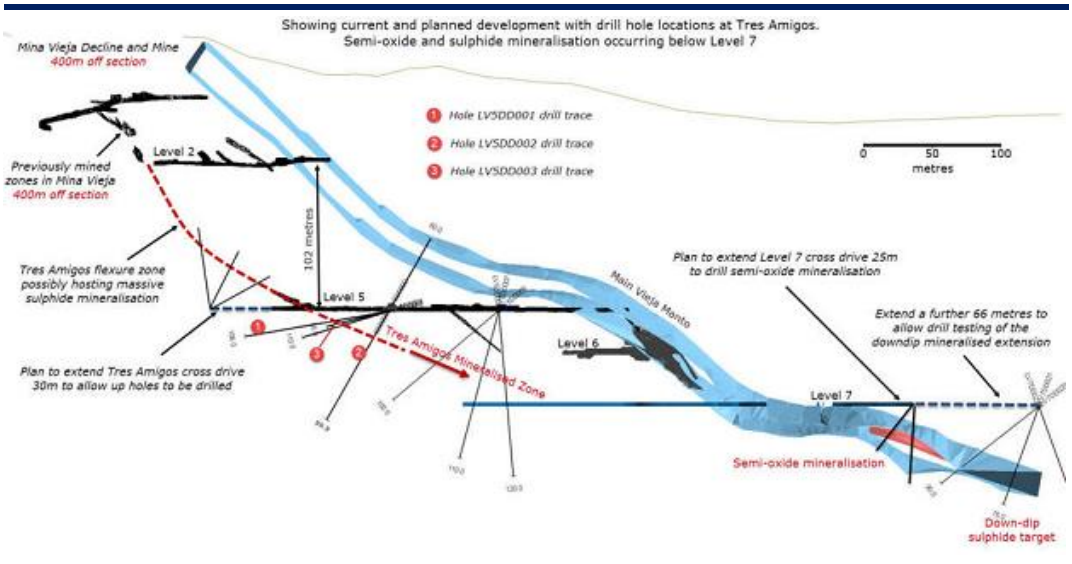


Figure 6. Planned and current drilling and development at Tres Amigos Source: CZL

High grade preliminary results in Footwall

Preliminary results have been received from the first three holes into the new footwall zone. Two of the three holes intersected massive sulphide mineralisation with significant intersections including:

4.70m @ >30.0% Zn, 4.6% Pb, 32.8g/t Ag
4.45m @ >18.8% Zn, 1.7% Pb, 15.3g/t Ag
4.15m @ >21.0% Zn, 0.1% Pb, 7.7g/t Ag

Eight of the assay intervals will have to be re-assayed using analysis techniques used for concentrate grades as results over 30% are not accurate with the current methods. It is therefore anticipated that revised assay grades will be higher than those quoted above.

These grades and widths bode well for exploitation of the footwall lode. Silver grades correlate to lead grades as would be expected. The dominance of Zn over Pb indicates a potential metal zonation in the mineral system (see Geology Section below).

New FW zone a bonus but emphasis still on Main Zone

Although the FW zone is a welcome bonus, and would, if delineated, provide early cash flow from easily accessible stopes, the main area of focus will be the Main Zone. This is where the tonnes predicted in the exploration target are to come from and is likely to provide the thickest mineralised areas, with a greater number of tonnes per vertical metre.

Geology

The base metal mineralisation comprises predominantly intrusive-related hydrothermal replacement of limestone-rich sedimentary units within a well-defined stratigraphic horizon, similar to Mississippi Valley Type (MVT) deposits. It therefore occurs as ‘manto’ style sheets, with cross-cutting ‘chimneys’ influenced by the location of cross-cutting link faults. It is believed that the overlying shale beds formed a ‘cap’ to the fluids, which pooled within the limestones and replaced this lithology. The host sequence consists of Palaeozoic limestones and shales, conglomerates and sandstones dipping to the NE and disrupted by steep angle NW-SE striking displacement faults. Felsic intrusives have been found to the north and NW of the mine.

The average thickness of the mineralised sheets is 3m with thicker sequences of up to 25m. Mineralisation dips between 10° and 40° to the north east. Previous mining has concentrated on the Main Marble limestone units where contacts are sharp and highly visible, contrasting with the black shales that lie in contact with the limestones.

Figure 7. Sphalerite, pyrite and galena from the FW at Tres Amigos Source: DJC

The newly discovered footwall lode is located in a shear zone within the silicified and brecciated Juarez Limestone unit. Geochemically, the Juarez mineralisation is distinct from the Main Marble Zone and may therefore represent a higher temperature zone than that above, indicating proximity to a hotter source, or, being temporally distinct.

The Plomosas deposit appears to lie in an open, northerly plunging fold axis that provides extension and therefore a locus to mineralising fluids. Although the source of the fluids has not yet been conclusively identified, it is believed that an igneous body may lie at depth. Elsewhere, but in the proximity of the mine, there is evidence of higher temperature copper and gold mineralisation. The lead-zinc silver mineralisation in the upper zones of the mine are 'anecdotally' capped by barite. If this were true, we believe that the Plomosas deposit represents a complete mineral system, displaying low temperature through to high temperature mineralisation. This presents a number of exploration opportunities in the district.

Structural interpretation will be the key

Development of the largest zones of stoping coincide with a steepening of the strata. Where movement is normal, this would result in dilation zones. Obvious exploration targets are where the horizon may be steepen down dip. Work needs to be done to ascertain any periodicity to the flexures to aid in targeting new zones.

Semi-oxidised mineralisation to be quantified

A small portion of the ore body on Level 7 has been identified as a 'semi-oxide' zone. Here, fractures host iron oxides and previous work has shown that this mineralisation has lower metallurgical recoveries. CZL will need to close off this mineralisation and identify where the next sulphide zone occurs down dip. Previous metallurgical sampling indicates that, although not as good as in the sulphide zones, good grades and concentrate recoveries are achievable in the semi-oxide zone but more work needs to be done to establish zone boundaries for this ore type. More metallurgy will also be required to define the processing characteristics and for reserve estimation.

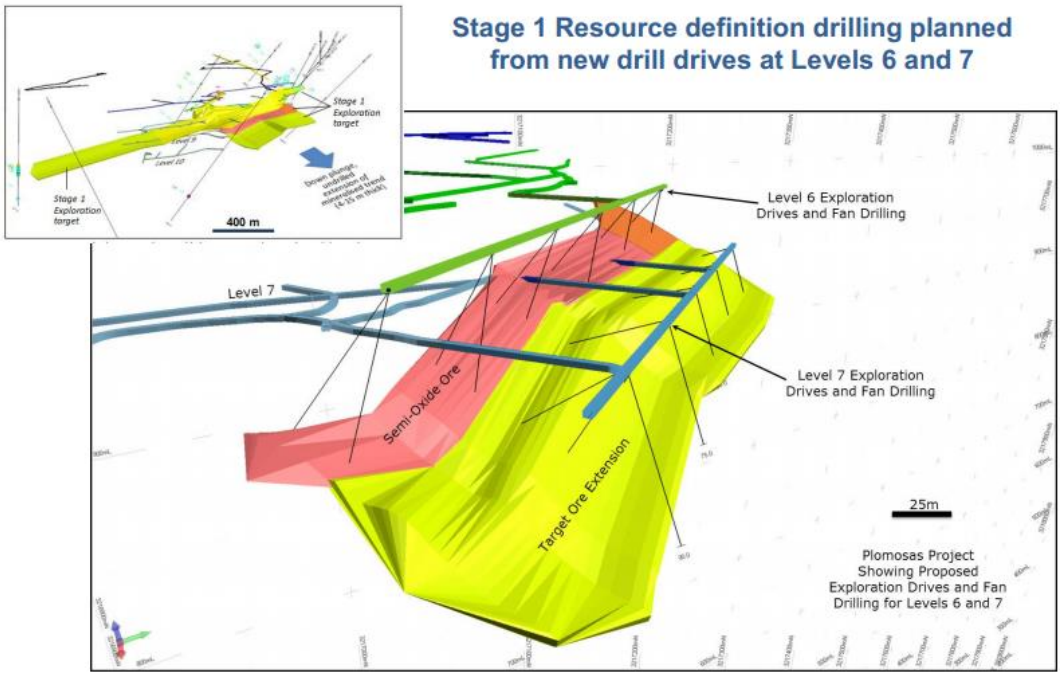


Figure 8 Semi-oxide and targeted sulphide zones with proposed holes Source: CZL

In our view the occurrence of the semi-oxide zone is likely to be the result of an intersection between ore structures and fractures acting as conduits for meteoric water. A cross cutting breccia unit may also be involved. The semi-oxide zone should therefore be of limited extent and should be predictable once the geology is better understood.

Exploration potential

CZL has placed an exploration target of between 2.9Mt to 3.2Mt at 15% - 25% Zn+Pb and 40-60g/t Ag from down dip and along strike extensions to the mine, principally from the Main Marble Zone down dip. Any tonnes derived from the discovery of the Footwall Zone will be in addition to this target. There is also some potential to realise lower grade tonnes adjacent to the existing stope voids, as remnant ore.

Beyond the mine, the tenement package includes 6 strike kilometres of prospective horizon (more if we take the newly discovered footwall zone into account) along a NW-SE trend. In our view a geophysical survey would be a very useful tool in defining prospective zones across the tenement package.

We made a visit to an outcrop to the west of the mine, approximately 800 along strike. Outcropping in the road cutting is a very obvious gossan that can be correlated with the sequence present at Plomosas. The gossan continues on the other side of the valley to the west

Further potential is recognised through the historically mined Cu-Au epithermal vein mineralisation within the concession area.

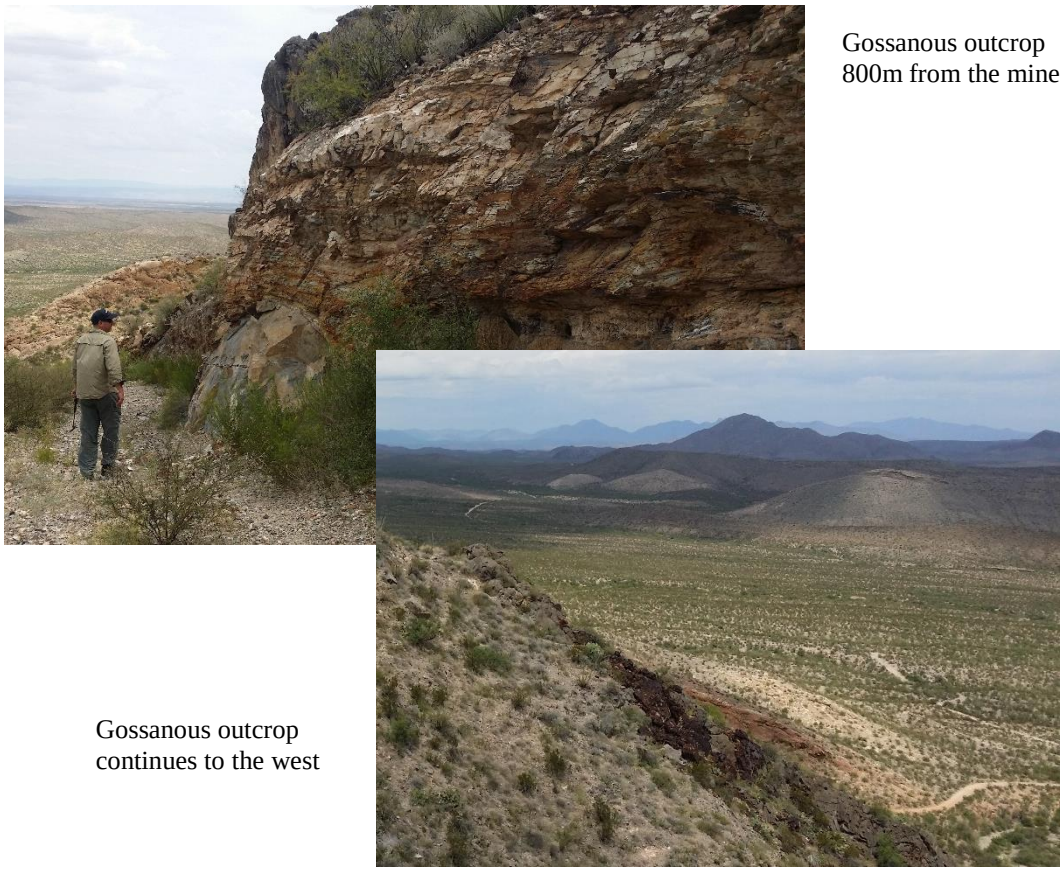


Figure 9. Gossanous outcrop to the west of the mine Source: DJC

Plomosas Global Peer Projects

Should CZL be successful in delineating its exploration target in resources, it would rate against a number of more advanced producing global peer deposits.

Plomosas Global Peer Project

Project Name	Company	Mt	Zn Grade (%)	Contained zinc tonnes
Citronen	Ironbark Zinc	29.9	6.6	1,971,600
Prairie Creek	Canadian Zinc Corp	13.7	11.0	1,501,309
Olympias	Eldorado	19.1	6.1	1,152,769
Aripuana	Anglo American	21.8	4.1	882,500
Newfoundland	Canadian Zinc Corp	9.4	5.0	474,382
Kutcho	Capstone	12.4	3.2	392,301
Marg	Minquest	11.7	3.2	379,282
Plomosas *	**Consolidated Zinc**	**3.0**	**12.0**	**360,000**
Huaron	Pan American Silver	12.0	2.7	325,440
Morococha	Pan American Silver	8.0	3.4	269,650
Stratoni	Eldorado	1.6	10.0	161,903
Thalanga	Red River Resources	2.3	7.0	159,575

* Exploration Target for Plomosas Zinc Project

Figure 10. Plomosas global peer group table (Zn only) Source: DJC / thecloudminer.com

We have used the stated exploration target mid-point of 3 Mt and applied a 12% zinc grade to define the data point. We have not included any tonnage that could be delineated from the new discovery in the footwall. If the footwall drilling is successful, this zone could add between 500,000 to 1,000,000 tonnes of ore.

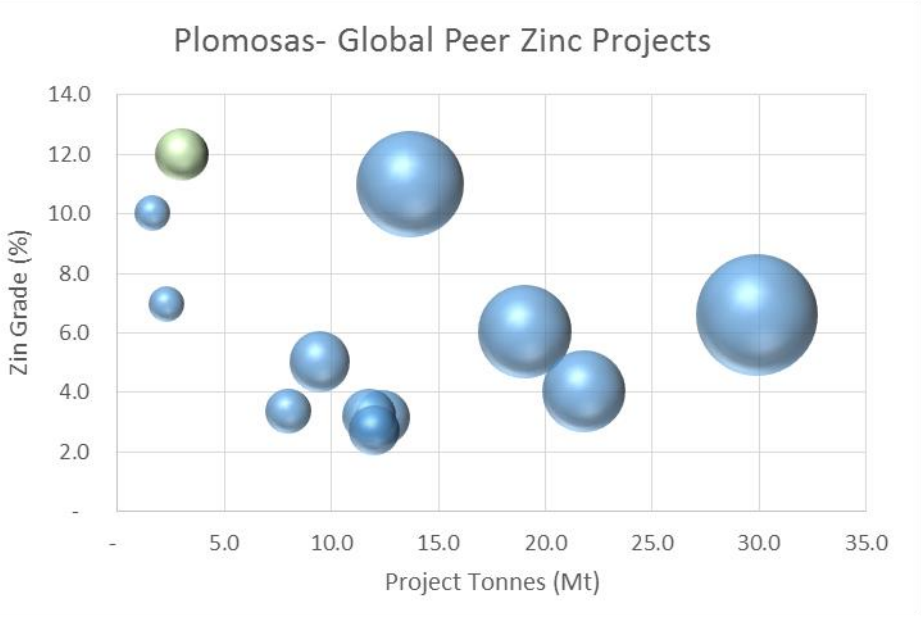


Figure 11. Plomosas global Peer Group bubble diagram Source: DJC / thecloudminer.com

The stand-out deposit in the peer group is Prairie Creek, operated by Canadian Zinc Corporation for its high grade and reasonably large tonnage. Most other deposits have a zinc grade of 6% or less.

Plomosas position on tonnage / grade curve if CZL achieve their exploration target. FW zone would be in addition to the exploration target

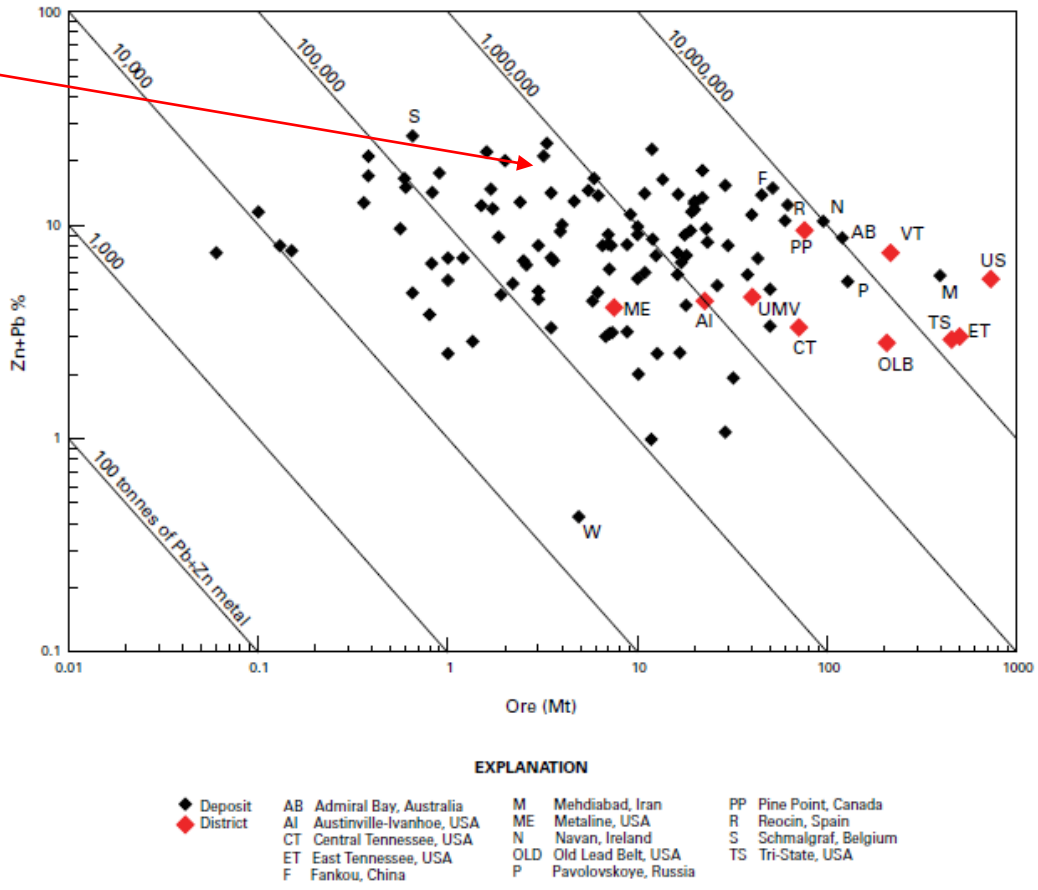


Figure 12. Grade / Tonnage curve for Pb/Zn deposits

Plomosas would rank within the top 10% of Pb/Zn deposits for grade globally

ASX-Listed peer comparable companies

Aurelia Metals Ltd (AMI)

AMI started production at their Hera multi-commodity project in NSW Australia in April 2015. The Hera Project represents Stage 1 of a development that will later include the Nymagee Deposit (95%). The Hera deposit has a resource of 3.2Mt and a reserve of 1.8Mt at 3.75g/t Au, 15g/t Ag, 0.16% Cu, 2.51% Pb and 3.5% Zn, slated to produce circa 50,000ozs gold equivalent over an initial 7.3 year mine life. The project will produce approximately 18,600t of combined Pb+Zn per annum (and 39,000ozs Au) from a plant with a throughput rate of 350,000tpa on pre-production capital costs of $73.5m. AMI has subsequently run into funding issues, although a funding package has just been agreed between AMI and its major shareholder, Pacific Road Capital.

Atherton Resources Ltd (ATE)

ATE, formerly Mungana Gold Mines Ltd (MUX-AU), has it flagship project, the King Vol Zinc Deposit in Chillagoe in North Queensland. The King Vol deposit has a JORC compliant resource of 3Mt at 12% Zn, 0.8% Cu and 30g/t Ag. **ATE received an unsolicited, on-market takeover offer from Auctus Chillagoe (Denham Capital) of 20c a share, valuing the company at $55.9m. The offer is being considered by the ATE Board. It should be noted that the size and grade of the King Vol resource is similar to the exploration target identified by CZL at Plomosas**.

Energia Minerals Ltd (EMX)

EMX has the Gorno Zinc Project in northern Italy. Gorno has an exploration target of 6-10Mt at 7-10% Zn + Pb. Gorno was a producing mine and has considerable underground infrastructure.

Company	Aurelia Metals	Atherton Resources	Energia Minerals	Red River Resources	Consolidated Zinc
ASX Code	AMI	ATE	EMX	RVR	CZL
Zn Project	Hera	King Vol	Gorno	Thalanga	Plomosa
Country	Australia	Australia	Italy	Australia	Mexico
Equity	100%	100%	100%	100%	up to 100%
Resource tonnes	3.2Mt	3Mt	-	2.3Mt	-
Grade	4.6% Zn, 3.5% Pb, 3.7g/t Au	12% Zn, 0.8% Cu, 30g/t	-	14.3% Zn eq.	-
Exploration target tonnes	-	-	6-10 Mt	-	2.9-3.2Mt
Exploration target grade	-	-	7-10% Zn+Pb	-	15%-25% Zn+Pb
Mine Infrastructure present	Yes	na	Yes	Yes	Yes
Process infrastructure present	Yes	Partial	No	Yes	Partial
Feasibility completion	Suspended	Mar-16	2017 ?	2015	Jun-16
MCAP ($m)	5.0	48.2	23.1	21.1	7.7
EV ($m)	110.0	53.5	19.3	17.4	6.2

Figure 9. Peer project comparisons Source: DJC, company reports

Red River Resources Ltd (RVR)

RVR recently announced a JORC resource of its Thalanga Project, acquired from Kagara Zinc. The Thalanga Project now has a resource of 2.3Mt at 14.3% Zn equivalent, with a Zn grade of 6.9% but includes copper, gold and silver. RVR plan a re-start of production at Thalanga by December 2015 and RVR is the most advanced ASX-listed new zinc developer. **The Thalanga resource is of a similar size but at a lower gradeto the exploration target defined at Plomosas.**

Risks

There is no doubt that considerable value lies the discovery of high grade zinc resources at Plomosas. The extensive underground infrastructure, minor operating plant that can be quickly and cheaply upgraded and the short time frame to achieve the remaining approvals, all provide considerable advantages to CZL over peers, enabling fast monetisation of newly defined resources and reserves.

Exploration risk: However It should be noted that, over the short term, CZL is still very much an exploration play, albeit with these advantages. The discovery of the new footwall zone could provide enough tonnes on its own to justify an upgrade to the existing processing infrastructure to 200 tpd if the grade was sufficiently high and minimum mining widths were achieved. However CZL still need to demonstrate continuity down dip in a new sulphide zone to get the tonnage to justify expanding the operation to a feed rate of circa 500 tpd and the construction of a new plant.

Metallurgical risk: CZL need to do more work on the semi-oxide zone before this ore type can be included in reserves. Geochemically, and potentially metallurgically, the footwall zone also has a different signature to that of the Main Marble Zone and more work will be required to understand the processing characteristics of this zone.

Approvals risk: CZL still require to complete all the approvals necessary to re-start the operation and process ore on site. We believe this process could take approximately 6 months but could take longer.

Sovereign risk: Mexico is a well-known jurisdiction for mining and was recently included on the world's top five countries for mining investment, behind Canada, Australia, the US, and Chile, in that order. Mexico improved its ranking by 3.1 points between 2013 and 2014. So from this perspective risks are lower compared to many other jurisdictions. However, changes to mining law, currency fluctuations and inflation can affect mining operations and costs.

Disclosure Disclaimer

RCAN1300

This Research report, accurately expresses the personal view of the Author.

DJ Carmichael Pty Limited, members of the Research Team; including authors of this report, its directors and employees advise that they may hold securities, may have an interest in and/or earn brokerage and other benefits or advantages, either directly or indirectly from client transactions in stocks mentioned in this report. DJ Carmichael Pty Ltd acted as Lead Manager and Underwriter to a SPP in **Consolidated Zinc Ltd** and was paid a fee for this service. DJ Carmichael Pty Ltd underwrote a rights issue in **Consolidated Zinc Ltd** and was paid a fee for this service. DJ Carmichael Pty Ltd hold securities as principal in **Consolidated Zinc Ltd. An associated person of a DJC Director who assisted in the facilitation of the acquisition of the Plomosas Project is a majority shareholder, holding 1.5% of the issued fully paid ordinary shares in Consolidated Zinc Ltd.**

DJ Carmichael Pty Ltd is a wholly owned subsidiary of DJ Carmichael Group Pty Ltd ACN 114 921 247.

In accordance with Section 949A of the Corporations Act 2001 D J Carmichael Pty Limited advise this email contains general financial advice only. In preparing this document D J Carmichael Pty Limited did not take into account the investment objectives, financial situation and particular needs ('financial circumstances') of any particular person. Accordingly, before acting on any advice contained in this document, you should assess whether the advice is appropriate in light of your own financial circumstances or contact your D J Carmichael Pty Limited adviser. D J Carmichael Pty Limited, its Directors employees and advisers may earn brokerage or commission from any transactions undertaken on your behalf as a result of acting upon this information. D J Carmichael Pty Limited, its directors and employees advise that they may hold securities, may have an interest in and/or earn brokerage and other benefits or advantages, either directly or indirectly, from client transactions. D J Carmichael Pty Limited believe that the advice herein is accurate however no warranty of accuracy or reliability is given in relation to any advice or information contained in this publication and no responsibility for any loss or damage whatsoever arising in any way for any representation, act or omission, whether express or implied (including responsibility to any persons by reason of negligence), is accepted by DJ Carmichael Pty Limited or any officer, agent or employee of D J Carmichael Pty Limited. This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient or employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication and its attachments is strictly prohibited.

The Author of this report made contact with the **Consolidated Zinc Ltd** for assistance with verification of facts, admittance to business sites, access to industry/company information. No inducements have been offered or accepted by the company.

To elect not to receive any further direct marketing communications from us, please reply to this email and type 'opt out ' in the subject line. Please allow two weeks for request to be processed.