

Tres Amigos resource drilling update

- High grade zinc assays continue to be obtained from infill and extensional drilling of the Tres Amigos resource. The drill campaign aims to convert inferred to indicated classifications and increase resource tonnages.
- Results up to 22.01% Zn + Pb (LV5047) were obtained in significant widths up to 4.80 mdh (LV5046) within and outside of the existing JORC resource envelope.
- Additional high grade intercepts up to 3.10 mdh at 20.05% Zn+Pb (LV5054) were obtained in holes intersecting mineralised feeder zones below JORC resources outlined to date.
- Results are to be incorporated into the resource update planned for April 2018.

Consolidated Zinc Limited (ASX:CZL) is pleased to provide an update of the latest extensional and infill resource definition drilling campaign at Plomosas mine in Mexico. Tables 1 and 2 summarise the hole details and assay results received.

Results of infill drilling aimed at converting currently classified inferred resources to indicated classification continued to return good results of which the better intercepts included:

• LV5046	4.80m at	11.91% Zn,	3.94% Pb,	13.73 g/t Ag
• LV5048	1.00m at	6.70% Zn,	2.34% Pb,	10.20 g/t Ag
• LV5050	0.90m at	9.22% Zn,	4.70% Pb,	14.30 g/t Ag

Extensional drilling including holes LV5047, LV5049, LV5052 and LV5054 intercepted mineralisation outside of the existing JORC resource outline and are expected to increase the resource when resource modelling is completed in April, 2018. The better results included:

• LV5047	1.00m at	16.30% Zn,	5.81% Pb,	35.60 g/t Ag	
• LV5049	1.00m at	13.70% Zn,	6.69% Pb,	25.60 g/t Ag	
• LV5052	2.20m at	7.81% Zn,	2.42% Pb,	14.90 g/t Ag	
• LV5054	0.50m at	19.20% Zn,	10.35% Pb,	31.70 g/t Ag	
	<i>and</i>	3.10m at	18.80% Zn,	1.25% Pb,	13.22 g/t Ag

Holes LV5049, LV5050, LV5052 and LV5054 encountered mineralisation in the Cuesta Shales stratigraphic unit and are believed to represent sheared feeder zones to the overlying mineralisation.

Geological Notes

Tres Amigos North (TRN) mineralisation is hosted in graphitic shales, in the immediate hanging wall to the Juarez Limestone. The TRN area is highly deformed, with both the shales and mineralisation exhibiting strong to isoclinal folding, while the more competent underlying Juarez Limestone displays only minimal shearing at the contact. It is possible that the TRN mineralisation pre-dates the deformation episode and represents a high-grade feeder zone that has been sheared and displaced from its original location. Deformation here is commonly folding with boudinages.

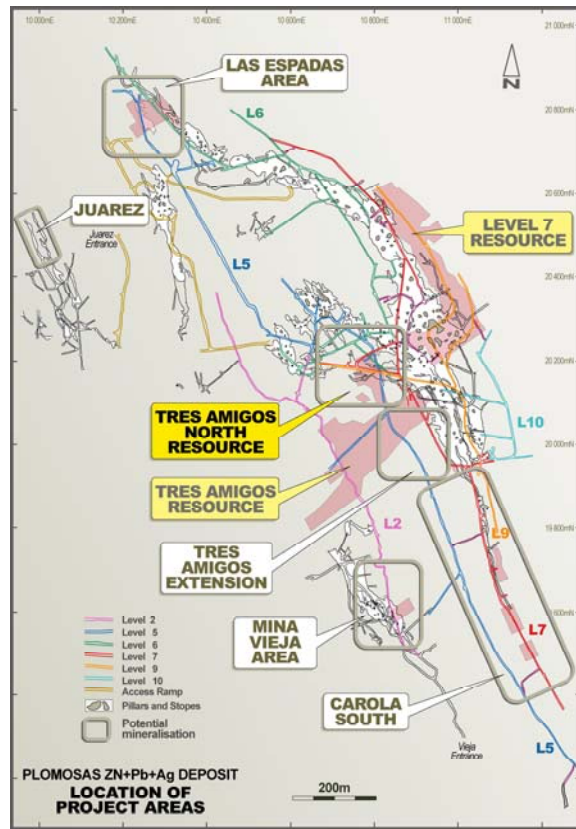


Figure 1. Plan view of Plomosas work areas and Mineral Resource outlines.

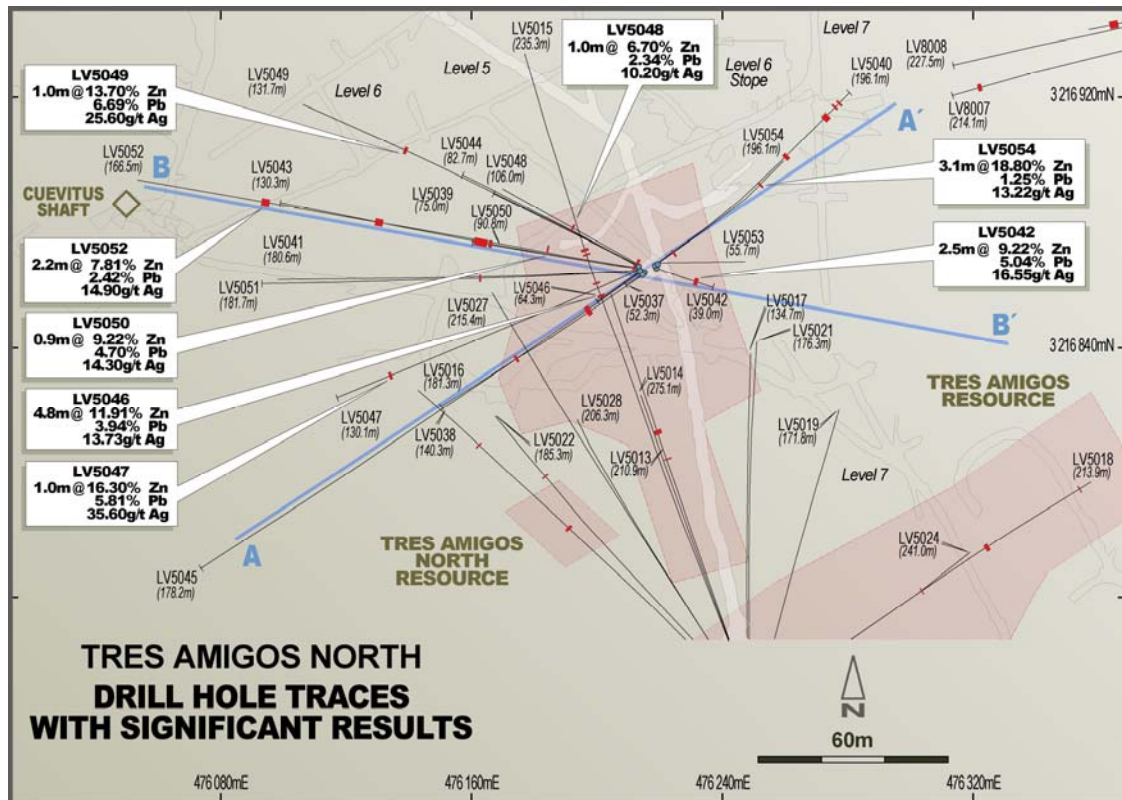


Figure 2. Plan view of Tres Amigos drilling from Level 5 targeting extensions and infill of the Tres Amigos and Tres Amigos North resource mineralisation.

Table 1. Highlights of drilling results from Tres Amigos & Tres Amigos North area

Hole No	Depth From (m)	Depth To (m)	D'hole Width (mdh)	True Width ¹ (m)	Zn %	Pb %	Ag (g/t)	Comment
LV5046	55.15	59.95	4.80	TBA	11.91	3.94	13.73	Semi-massive mineralisation in hangingwall shales to Juarez
LV5047	105.40	106.40	1.00	TBA	16.30	5.81	35.60	Mass sulphides in Juarez Lst
LV5048	50.10	51.10	1.00	TBA	6.70	2.34	10.20	Massive sulphides in HW shales to Juarez Limestone
LV5049	0.80	1.50	0.70	TBA	3.80	3.13	12.20	Mass sulphides in Mina Vieja Manto unit
	91.05	92.05	1.00	TBA	13.70	6.69	25.60	Massive and semi-massive sulphide feeder in Cuesta shales
LV5050	58.40	59.30	0.90	TBA	9.22	4.70	14.30	Massive and semi-massive sulphide in Cuesta shales
LV5051					NSI	NSI	NSI	
LV5052	122.75	124.95	2.20	TBA	7.81	2.42	14.90	Massive to semi-massive sulphides within the Cuesta shales
LV5053					NSI	NSI	NSI	
LV5054	23.00	23.50	0.50	TBA	19.20	10.35	31.70	Massive with minor semi-massive mineralisation in Cuesta shales
	149.45	152.55	3.10	TBA	18.80	1.25	13.22	

Note 1: **TW** represents an approximate true width of the mineralisation based on structural assessment of contact information and drill orientations. **TW** is being recalculated in conjunction with resource modelling and interpretation. **mdh**: metres down hole

Note 2: **TBA** – Mineralisation intercepted and visually identified. Core logging and assays pending.

TRN has similarities to mineralisation in hole TRSDD010 that was drilled 400m to the south in 2016, without the deformation overprint. The upper portion appears to have been subject to limited mining, and in a haphazard and inconsistent manner. Drilling will continue to define the mineralisation and the extensions that occur in the area.

Further drilling to test the high-grade mineralisation in hole LV5040 was successful, with hole LV5054 intersecting 3.10m @ 18.80% Zn, 1.25%Pb and 13.22g/t Ag, 32 metres up-dip from the mineralised interval in LV5040. Unlike TRN, this mineralisation is hosted in the Juarez Limestone unit, and occurs 75 metres below Level 7.

LV5054 and LV5040 are the deepest new discoveries drilled by CZL, since the project was acquired in 2015. It appears that this mineralisation is the continuation of the Tres Amigos zone, located 130m to the southeast. Plans are now to place a drill rig in Level 7 and commence a drill out to define this new area.



Figure 3. Massive sulphide mineralisation in the Cuesta shales intersected in LV5054 drill hole between 149.45 to 152.55 metres (3.1m). This 3.10m intercept is the deepest intersected by CZL to date and assayed at 18.8% Zn, 1.25% Pb and 13.22 g/t Ag.

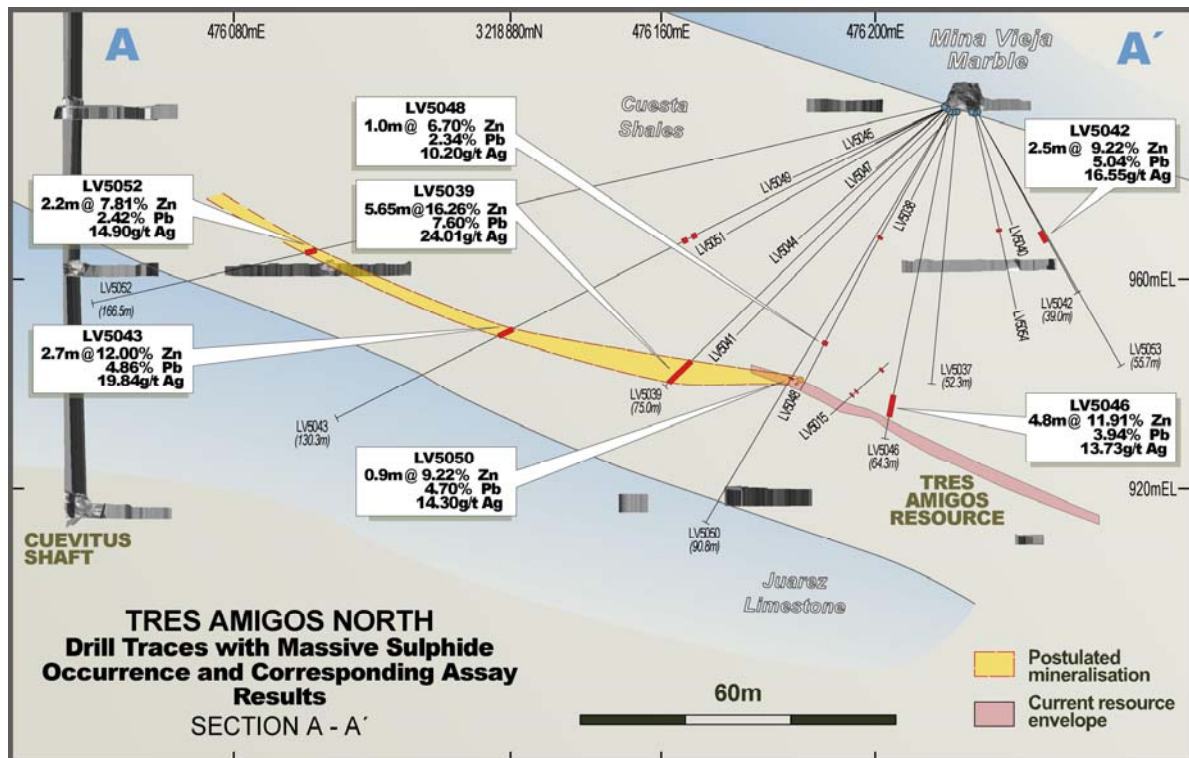


Figure 4. Section AA' of Tres Amigos drilling from Cuddy 5.4 targeting extensions and infill of the Tres Amigos and Tres Amigos North resource mineralisation. Intercepts in LV5039, LV5043 and LV5052 will be incorporated into the resource update.

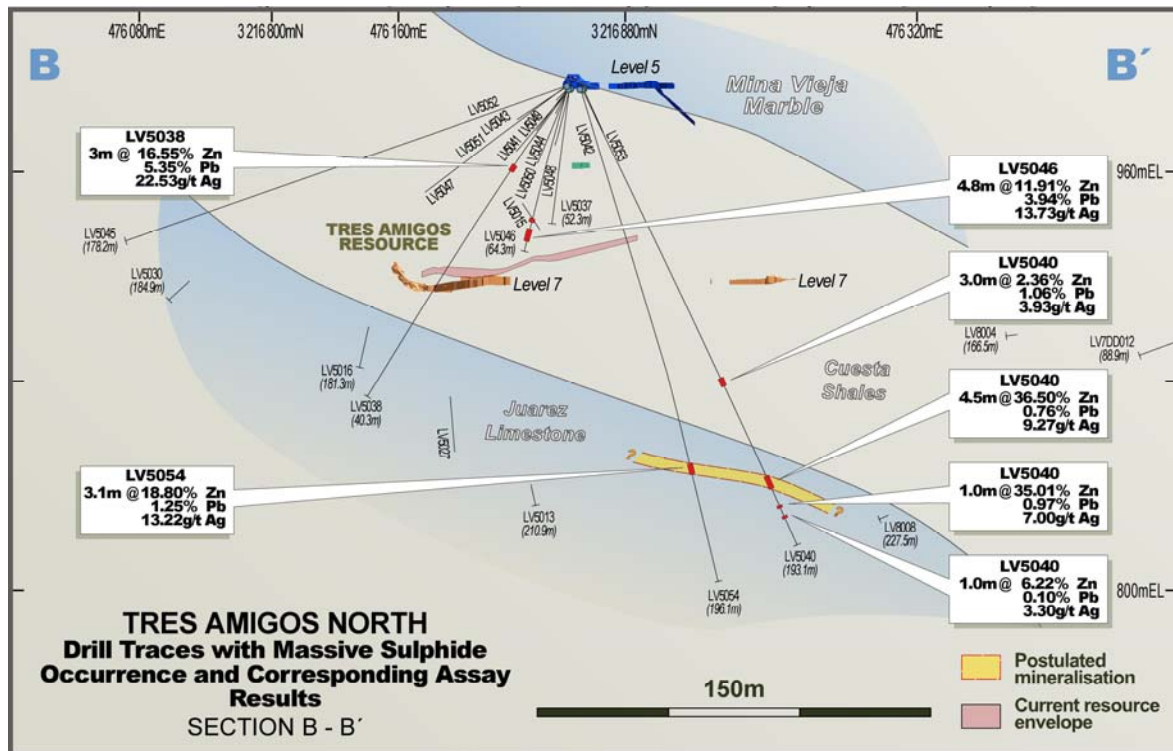


Figure 5. Section BB' of Tres Amigos drilling from Cuddy 5.4 targeting extensions and infill of the Tres Amigos and Tres Amigos North resource mineralisation. Note the outline of the resource shown is off section and 120m up dip of LV5040 intercept and will be remodelled with latest information from LV5040 and LV5038.

HoleID	Easting WGS84	Northing WGS84	Elev (m)	Dip	Azimuth WGS	Total Depth (m)
LV5046	476213.72	3216864.25	991.50	-74.70	233.66	64.30
LV5047	476212.88	3216864.08	992.36	-36.30	247.36	130.00
LV5048	476213.96	3216866.45	991.95	-60.00	296.45	106.00
LV5049	476213.79	3216866.51	992.69	-23.60	297.04	131.70
LV5050	476213.60	3216865.53	991.81	-59.80	278.45	90.80
LV5051	476212.92	3216864.25	992.40	-29.40	267.95	131.70
LV5052	476213.12	3216865.33	992.89	-13.10	280.15	166.50
LV5053	476219.61	3216866.83	991.62	-60.20	89.25	55.70
LV5054	476218.63	3216866.34	991.56	-72.90	55.15	196.10

Brad Marwood
Chief Executive Officer

ABOUT CONSOLIDATED ZINC

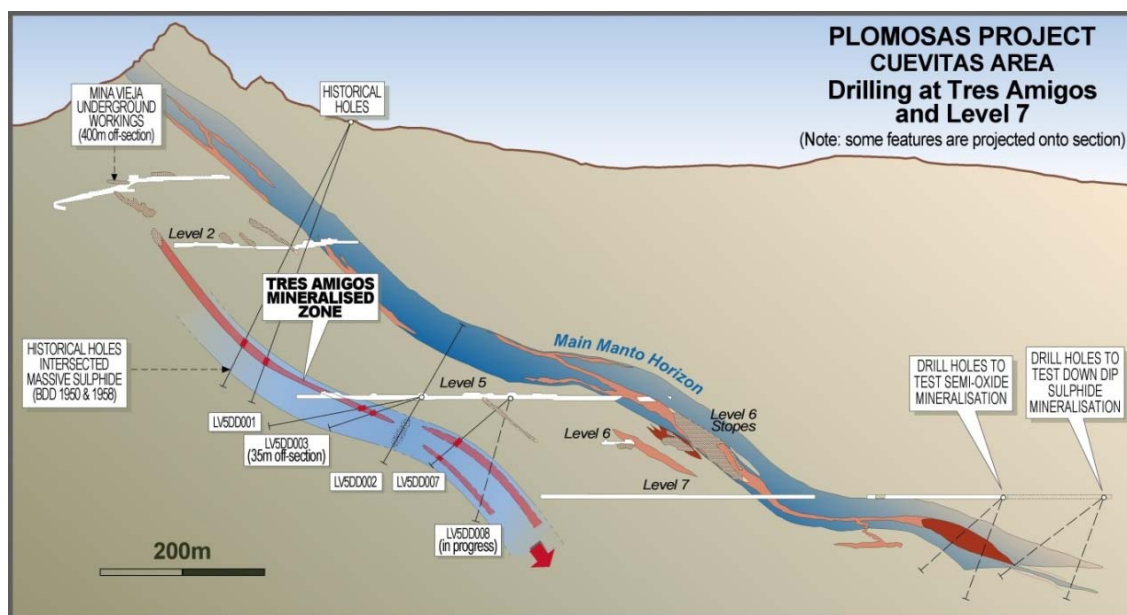
Consolidated Zinc Limited (ASX:CZL) is a mineral exploration company listed on the Australian Securities Exchange. The Company’s major focus is in Mexico where it recently acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project through its majority owned subsidiary, Minera Latin American 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.

To date a Mineral Resource has been estimated containing approximately 1 million tonnes grading 15.9% Zn+Pb for 154,000t of contained metal in Indicated and Inferred categories (ASX announcement 4 September, 2018). Current exploration is aimed at increasing the tonnage and improving the resource classification.

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, Mineral 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.



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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • 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.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 triple tube in these areas will not improve recovery.
Logging	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 routinely carried out.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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

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Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 bias sampling orientation.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No relevant information is available.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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

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		<p>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.</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate information has been included in the report.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No data aggregate methods were applied to the results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> No drilling was completed to enable any relationship between mineralisation width and intercept lengths
Diagrams	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Appropriate diagrams are attached in the report

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	<i>drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All sample results are reported
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other relevant data has been reported
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate information has been included in the report.