

10 August 2018

### **THIRD PARTY CLAIM**

Consolidated Zinc Limited (“the Company”) is in receipt of a claim by a company named Pandion Minerals Pty Ltd (“Pandion”) pursuant to which Pandion claims to be conditionally entitled to a 10% interest in the Plomosas Project in Mexico being free carried until the Definitive Feasibility Study is completed. The Plomosas Project is presently owned by the joint venture company Minera Latin America Zinc (“MLAZ”), in which a subsidiary of CZL has a 51% interest. The pre-condition for the Pandion 10% to be issued is that CZL’s acquires a further 39% of MLAZ.

Pandion relies on an alleged letter agreement dated 8 December 2014. The Company was not previously in possession of a copy of this alleged agreement and does not accept its authenticity.

CZL considers the claim to be unfounded and, if the claim is pursued, will defend the claim vigorously.

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