



25 September 2018

Dear shareholder

INVITATION TO PARTICIPATE IN SHARE PURCHASE PLAN

Following Consolidated Zinc Limited's (**CZL or Company**) recent announcement of its transition to a zinc producer, the Company is now pleased to offer eligible shareholders an opportunity to share in the ongoing progress of your Company by subscribing for up to \$15,000 in new CZL shares, with no brokerage costs, through a Share Purchase Plan (SPP).

This SPP allows eligible shareholders to acquire additional shares in the Company at a price of 2.4 cents per share. The SPP will be available to all eligible shareholders and is expected to raise \$1.5m.

The issue of shares under the SPP will be limited to 62,500,000 new fully paid ordinary shares (6.76% of the issued capital of the Company) and will not be underwritten, subject to final discretion of the Board. In the event of oversubscriptions, the Company may (at its discretion) scale-back applications pro-rata basis based on the size of the applicant's existing shareholding as at the Record Date.

The Officers and Directors of the Company may take up all or part of their allocation under the SPP.

The Company announced its transition to a zinc producer on 5 September 2018. Mining has commenced at our Plomosas mine with plans to ramp up production from 2,500 to 10,000 tonnes per month. The Company has signed a processing and offtake agreement with Grupo Mexico to process the ore through their nearby Santa Eulalia concentrator with the Plomosas concentrate sold and delivered to Grupo Mexico's San Luis Potosi smelter.

CZL has elected to proceed with processing the Plomosas ore through the Santa Eulalia plant as it will accelerate the delivery of production, provides comparable returns from the beneficiation of the Plomosas high-grade mineralisation on site and minimises initial capital requirements. The Company is confident that the first cashflow can be achieved in October for a capital cost less than US\$500,000 and the C3 operating costs are expected to be less than US\$0.50/lb Zinc after by-product credits averaged over the first year of production.

The CZL Board intends to exercise the Company's rights under the Shareholders Agreement, to purchase our JV partner's 39% equity in the operating company, Minera Latin America Zinc (MLAZ), for A\$750,000 and shares to the value of A\$1.7 million, increasing CZL's interest from 51% to 90%.

If suitable terms can be negotiated CZL intends to acquire the remaining 10% of MLAZ.

Funds raised from the SPP will be used to fund the purchase of the additional equity in MLAZ and for general working capital. The SPP provides an opportunity to existing shareholders to increase their holdings and participate in this exciting growth stage for CZL.

The Offer

The SPP is offered exclusively to all shareholders who are recorded on the Company's share register at 5pm (AEST) on 24 September 2018 (**Record Date**) and whose registered address is in Australia and New Zealand.

It provides shareholders with an opportunity to buy a parcel of new shares in the Company with no brokerage or commission costs, irrespective of the size of their shareholding, up to a maximum value of \$15,000.



The issue price of each share under the SPP is \$0.024 which represents an 11.1% discount to the closing price on 24 September, 2018 of the Company's shares traded on the ASX before the date of announcement of the SPP. The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued to you under the SPP.

Participation in the SPP is optional and the right to participate is not transferable. The offer to participate in the SPP closes at 5.00pm (AEST) on 17 October 2018.

Full details on the SPP and how to participate are contained in the documents attached. To apply for a parcel of shares please read these documents carefully and follow the instructions on the enclosed personalised application form.

Your continuing support as a shareholder of Consolidated Zinc Limited is appreciated.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brad Marwood', followed by a horizontal line extending to the right.

Brad Marwood
Chief Executive Officer

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 acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project in June 2015 with the option of increasing to 90% 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.

THE OFFER AT A GLANCE

Key Dates*

Date	Details
24 September 2018	Record Date 5.00pm (AEST) The date on which the Company determined eligible shareholders.
25 September 2018	Opening Date The date the SPP opens.
15 October 2018	Closing Date The date on which the SPP closes. Applications and payments (including BPAY) must be received by 5.00pm (AEST).
17 October 2018	Issue Date The date shares are issued and any scaleback of the shares to be issued under the SPP is announced.
22 October 2018	Despatch Date The date on which holding statements are sent to shareholders.
22 October 2018	Share Trading Date The date on which it is expected that shares will commence trading on the ASX.

**Consolidated Zinc Limited has the discretion and reserves the right to alter key dates.*

Offer Details

Item	Detail
Issue Price	\$0.024 per share which represents an 11.1% discount to the closing price on 24 September, 2018 of the Company's shares traded on the ASX before the date of announcement of the SPP.
Minimum Application Amount*	The minimum application amount is \$1,000 (41,667 shares).
Maximum Application Amount*	The maximum application amount is \$15,000 (625,000 shares).
Permitted Application Amounts*	Each shareholder is entitled to purchase share parcels valued at any one of \$1,000 (41,667 shares), \$2,500 (104,167 shares), \$5,000 (208,334 shares), \$10,000 (416,667 shares) or \$15,000 (625,000 shares).

** Rounded down to the nearest whole share (where applicable)*

Questions and Answers

1. What is the Share Purchase Plan?

The Share Purchase Plan (**SPP**) is an opportunity for eligible shareholders to purchase additional ordinary shares in the Company up to a maximum of \$15,000 (625,000 shares) at a discount to the market price without brokerage and commission costs.

All shares issued to you under the SPP will rank equally with your existing shares and will carry the same voting rights and other entitlements.

2. Who is eligible to participate in the SPP?

Participation in the SPP is open to each person registered as a holder of ordinary shares in the Company on the Record Date, who has an address in Australia and New Zealand.

3. What is the Issue Price of the Shares?

The issue price of each share issued under the SPP is \$0.024 which represents an 11.1% discount to the closing price on 24 September, 2018 of the Company's shares traded on the ASX before the date of announcement of the SPP.

The market price of shares in the Company may rise or fall between the date of this offer and the date that shares are issued to you under the SPP. This means that the issue price you pay for the shares may be greater than or less than the market price of the shares at the date of issue of the shares under the SPP.

4. How many Shares can I apply for under the SPP?

Regardless of the shares you currently own, you are entitled to apply for a parcel of shares in the Company valued at \$1,000 (41,667 shares), \$2,500 (104,167 shares), \$5,000 (208,334 shares), \$10,000 (416,667 shares) or \$15,000 (625,000 shares). You may only apply for one of these parcels.

If you hold shares in more than one capacity (for example you are both a joint holder and a sole holder), the maximum amount you can apply for under the SPP in all capacities is \$15,000 (625,000 shares).

By applying to purchase shares under the SPP, you will have agreed to be bound by the terms and conditions of the SPP as set out in this offer document.

5. How do I apply for Shares under the SPP?

If you wish to participate in the SPP, please follow the instructions set out on the enclosed personalised application form and send this form together with your cheque made payable to "Consolidated Zinc Limited" to:

by post to

Consolidated Zinc Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or deliver to

Consolidated Zinc Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(please do not use this address for mailing purposes)

Alternatively you can make a BPAY payment as shown on the application form. If you make a BPAY payment, you do not need to return the application form. By making a BPAY payment you are giving

the Company the certification contained on the application form. Please note that you can only make a BPAY payment from an Australian bank account.

If you wish to participate you should ensure that your **application form and payment is received by no later than 5.00pm (AEST) on 15 October 2018.**

Please allow adequate time for mail deliveries.

You will not be able to withdraw or revoke your application once you have sent us the completed application form and payment.

6. How long is the SPP offer open for?

The SPP opens on 25 September 2018 and is expected to close on 15 October 2018.

If you wish to participate you should ensure that your **application form and payment is received as soon as possible and by no later than 5pm (AEST) on 15 October 2018.**

7. Do I have to participate in the SPP?

Participation in the SPP is voluntary.

Before you apply for shares we recommend you seek independent financial advice from your professional advisor or stockbroker.

8. Further assistance

If you have any questions in relation to the SPP please contact your professional advisor or stockbroker.

If you require information on how to complete the application form please contact the Company's share registry on 1300 554 474.

Consolidated Zinc Limited - Share Purchase Plan Terms and Conditions

This document sets out the terms and conditions of the offer under the Share Purchase Plan.

Description of the SPP

Pursuant to the Share Purchase Plan (**SPP**), Consolidated Zinc Limited (**Company**) is offering its shareholders the opportunity to acquire additional fully paid ordinary shares in the Company up to a maximum value of \$15,000 at a discount to the market price of the Company's shares on the Australian Securities Exchange (**ASX**) without the need to pay brokerage or commission costs and without the need for the Company to issue a Prospectus, upon such terms and conditions as the Board of the Company in its absolute discretion sees fit.

Shareholders Eligibility to Participate

Participation in the SPP is open to each person registered as a holder of ordinary shares in the Company on 24 September 2018 (**Record Date**), who has an address in Australia or New Zealand (**Eligible Shareholders**). Due to foreign security laws, it is not practical for shareholders who are resident in other countries to participate under the SPP.

Participation in the SPP is optional and is subject to these terms and conditions. Offers made under the SPP are non-renounceable (ie Eligible Shareholders may not transfer their rights to shares offered under the SPP).

Joint shareholders are taken to be a single registered holder for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same holder or joint holders receive more than one offer under the SPP (for example if a holder has more than one holding under separate accounts), that holder or those joint holders may only apply for an aggregate maximum parcel of shares between any joint or individual holdings.

Trustees and nominees are able to apply for one maximum parcel of shares under the SPP for each beneficiary that is expressly noted on the Company's share register as a trustee or nominee for a named beneficiary. If the Company's share register does not record a named beneficiary in respect of the trustee or nominee holding, or the shares are held by a custodian, the trustee, nominee or custodian must give the Company a certification which complies with Class Order 09/425 if it wishes to apply for shares on behalf of multiple beneficiaries under the SPP. Please

contact the Company to obtain a copy of this certification required.

By electing to participate in the SPP, the shareholder will be deemed to have certified to the Company that in respect of that shareholder, at the time of the application, the total price does not exceed \$15,000 for:

- shares the subject of the application under the SPP;
- any other shares applied for under the SPP or any other shares issued under any similar arrangement in the 12 months before the application under the SPP;
- any other shares that the shareholder has instructed a custodian to acquire on their behalf under the SPP or that have been issued to a custodian under an arrangement similar to the SPP in the 12 months before the application under the SPP on the instruction of the shareholder and that are held beneficially by the shareholder.

Furthermore shareholders will be deemed to have confirmed, in relation to all shares applied for by them under the SPP, that they do not make application for any other person in circumstances which might involve any breach of securities law of any jurisdiction other than Australia or, New Zealand and have agreed to be bound by the Company's Constitution in respect of all the shares issued to them under the SPP.

Issue Price

The issue price of each share issued under the SPP is \$0.024 which represents a 3.64% premium to the volume weighted average market price of the Company's shares on the ASX calculated over the last five days on which sales of shares in the Company were recorded before the date of announcement of the SPP.

The market price of shares in the Company may rise or fall between the date of this offer and the date that shares are issued to you under the SPP. This means that the issue price that you pay for the shares may be greater than or less than the market price of the shares at the date of issue of the shares under the SPP. Accordingly, you should seek your own financial advice in relation to this offer.

Application and Notices

At the discretion of the directors of the Company, Eligible Shareholders will be sent a letter of offer, terms and conditions and an application form, inviting them to subscribe for shares under the SPP.

Eligible Shareholders may apply to purchase a parcel of shares under the SPP valued at any one of \$1,000 (41,667 shares), \$2,500 (104,167 shares), \$5,000 (208,334 shares), \$10,000 (416,667 shares) or \$15,000 (625,000 shares).

If an Eligible Shareholder subscribes for an amount which results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

If you wish to participate in the SPP you must complete the attached personalised application form and provide payment in accordance with the instructions set out on the application form. Alternatively, you may pay electronically using BPAY and quote your reference number that has been provided on the personalised application form, in which case you do not need to return the application form.

Applications will not be accepted after 15 October 2018.

The Company reserves the right to reject any application where it believes there is non-compliance with this rule or any other terms or conditions of the SPP.

Applications and payments may not be withdrawn once the Company has received them. Oversubscriptions or refunds of other application monies in any circumstances will be without interest.

By returning the application form or by making the BPAY payment you are giving the Company the certifications in these terms and conditions and in the application form.

Scale-back

The Company does not intend to issue more than 62,500,000 ordinary shares under the SPP. If applications for more than 62,500,000 shares are received, the Company may, in its absolute discretion, undertake a scale-back to the extent and in the manner it sees fit and a shareholder may be issued a lesser number of Shares than applied for. The Company intends to scale-back oversubscriptions on a pro rata basis. Any scale-back will be announced on 16 October 2018. If the Company scales-back an application, the Company

will promptly return the relevant application monies to the shareholder, without interest.

Underwriting

The SPP is not underwritten.

Shares Issued under the SPP

Shares issued under the SPP will rank equally in all respects with all other ordinary fully paid shares in the Company from the date of issue.

Shareholder holding statements and/or CHES notification will be issued in respect of all shares.

After the issue of shares under the SPP, the Company will make application for those shares to be listed for quotation on the official list of the ASX.

Modification and Termination of the SPP

The Company may modify or terminate the SPP at any time.

The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Dispute Resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP, whether generally or in relation to any participant or application, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Contact Details

If you have any questions regarding the SPP or how to deal with this offer, please contact your professional advisor or stockbroker.

If you require information on how to complete the application form please contact the Company's share register on 1300 554 474.