

20 November 2018

# A Good Year for Consolidated Zinc Chairman's AGM address

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Consolidated Zinc Limited (ASX: CZL; "Consolidated Zinc" or "the Company") is holding its 2018 Annual General Meeting today so I felt it appropriate to connect with all shareholders and provide a brief notice reflecting on the past year.

This has been a very exciting year for the Company – one in which many advances have been made culminating in CZL becoming a producer of high grade zinc concentrates.

I am pleased to advise that during the past year your Company has delivered, on-time and within budget;

- a 32% increase in the Mineral Resource;
- a Bankable Feasibility Study ("BFS") assessing the viability of the Plomosas Mine which secured offers of project finance; and
- sourced a superior option for project development with the Toll treatment and Offtake Sales Agreements secured with Grupo Mexico, Mexico's largest miner.

The company has moved forward in leaps and bounds in the short time since the appointment of Brad Marwood as our CEO earlier in the year. The Plomosas mine was developed and brought into production in record time and at a very low capital cost. With Steve Boda permanently on site in Mexico we are very proud of our team managing the transition from exploration company to mine operator as the professionals we know them to be.

CZL anticipates that the income derived from Plomosas mine production will allow the repayment of debts and the establishment of a cash reserve through 2019. The cash reserve will be used to buffer the volatile commodity prices we are experiencing and where appropriate be deployed to deliver superior shareholder returns through enhancing the operations at Plomosas and enable the company to seek other growth opportunities.

Production will increase at Plomosas over the next few weeks and in the last week alone we have completed the decline bypass that will remove the bottleneck allowing reduced cycle times for haul trucks to the surface and thus increase productivity from the mine. The completion of this bypass is in time to accommodate the current mobilisation of additional haulage trucks by our contractor.

The support from shareholders during the past year has been rewarded with a threefold increase in the share price. In the near term, CZL anticipates our move to a 90% equity position in Plomosas through the acquisition of an additional 39% of MLAZ, the joint venture company holding the Plomosas mine assets will justify a strengthened share price. CZL has announced an Extraordinary General Meeting on 11 December, 2018 seeking shareholder approval to acquire the 39% interest in MLAZ. The CZL Board believe this is a unique opportunity to increase the shareholder value in our primary asset.

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Today CZL will be holding its Annual General Meeting at 3:00pm at Level 14 Boardroom, 330 Collins St Melbourne. I look forward to meeting with other shareholders at that time.

Yours sincerely,

*Stephen Copulos*

Stephen Copulos  
Chairman

#### **ABOUT CONSOLIDATED ZINC**

Consolidated Zinc Limited (ASX:CZL) owns 51% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico with the option to increase its ownership to 90% by the end of 2018. Chihuahua State has a strong mining sector with other large base and precious metal projects in operation within the state.

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 has recommenced mining at Plomosas and is committed to exploit the potential of the high grade Zinc, Lead and Silver Mineral Resource through the identification, exploration and exploitation of new zones of mineralisation within and adjacent to the known mineralisation with a view to identify new mineral resources that are exploitable.