

28 December 2018

Detailed Costing Study Clarification

As set out in the September 2018 Quarterly Report announced on 29 October 2018, Consolidated Zinc Limited (“CZL” or the “Company”) has undertaken a Detailed Costing Study (“Study”) that was submitted to banks and merchant trading houses and led to finance offers for the Plomosas Project. However, the opportunity presented by Grupo Mexico’s toll treatment and offtake agreement offered greater benefits and was accepted making the Study redundant in its current form.

The Study was based on the updated Mineral Resource (Indicated and Inferred Resources) as announced to the market on 30 April 2018 and should not be referred to as a “bankable feasibility study,” as the JORC Code does not allow a bankable feasibility study to be completed based on Inferred Resources.

During the first quarter of 2019, the Company intends to recast the Study in terms of the JORC Code, to present new production schedules, revenues and costings solely based on the Indicated Resources so as to deliver a bankable feasibility study.

As announced on 27 December 2018, the completion and delivery of a bankable feasibility study to the Mexican Partners will give rise to a right of the Mexican Partners to sell its 10% interest in the company owning the Plomosas Project, or failing this the Mexican Partners must contribute or dilute.

For and on behalf of Consolidated Zinc Limited.



Brad Marwood
Chief Executive Officer

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 90% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico. 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.