

Plomosas Mine Production Report December 2018

- **Ore production of 4,072 t at grades of 10.20% Zinc, 2.4% Lead**
- **Commercial production achieved during the month**

Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to provide an update on December 2018 production at its Plomosas zinc-lead-silver mine in Mexico.

Ore Production

DECEMBER 2018 PRODUCTION STATISTICS		OCT-18	NOV-18	Dec -18	YTD	
MINED	ORE	TONNES	237	1,582	3,472	5,291
	WASTE	TONNES	758	2,632	3,543	6,933
	DEVELOPMENT	METRES	48	144	200	392
MINED GRADE	ZINC	%	12.9%	9.0%	10.2%	9.96%
	LEAD	%	3.3%	1.4%	2.4%	2.14%
TOTAL METAL MINED	ZINC	TONNES	31	143	354.14	528.14
	LEAD	TONNES	8	22	83.33	113.30

During December, CZL opened-up two new stopes being 992SW and 992N and advanced the decline from Level 5 (992m RL) towards 972mRL where a further 5 stopes will be developed to deliver 35,000t of ore. The toll treatment has progressed well with recoveries of 89% of Zinc achieved through the Santa Eulalia concentrator.

Ore hauled to surface of 4,072 tonnes with improved availability of equipment and more equipment brought to site. This includes the 600t hauled from Level 6 stopes where ore has previously been broken. The grades are impacted by development headings on ore providing a significant portion of ore hauled to the surface.

On Level 6 a stoping area has been assayed and found to contain high grade ore blasted but not mined exceeding 3,000t. Lifting of this ore to the surface during the month commenced after the Level 6 Stope access was established for haul trucks with 600t lifted to the surface during the month.

During January 2019 production is expected to increase as the mine will not have the closure and reduced staffing that occurred during the end of year holiday season.

Ore Processing

The Santa Eulalia Concentrator has achieved recoveries of 89% Zinc and 86% Lead on Plomosas ore batched or campaigned through the Santa Eulalia concentrator. This recovery is higher than expected. The first batch invoice was prepared during the month and is expected to be paid in the first half of January 2019. Thus commercial production has commenced at the Plomosas Mine after only 70 days from commencement of mine development.

Development and production planning

Development at both the 992SE and 992N stopes have been developed in mineralisation that lies outside of the defined JORC resources. These new stopes have been defined using classical rising mining methods on ore to block out the mineralised envelope between 992m RL and 1022m RL.

7 January 2019

Development of the decline and drives improved from 144 metres advance to 197 metres advance during the month. Focus was on maximising the advance of the 3.5m x 3m decline to access the very high-grade ore below the Level 5 ore stopes.

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.