

## Plomosas Mine Production Report January 2019

- **Ore production 3,540 tonnes at 10.3% Zinc, 3.3% Lead**
- **Development of 222m to reach additional high grade ore in February 2019**

Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to provide an update on January 2019 production at its Plomosas zinc-lead-silver mine in Mexico.

### Ore Production

JANUARY 2019 PRODUCTION STATISTICS			Jan 2019	YTD 2019	Dec 2018	2018
MINED	ORE	TONNES	3,530	3,530	3,472	6,075
	WASTE	TONNES	4,254	4,254	3,543	7,065
	DEVELOPMENT	METRES	222	222	200	409
MINED GRADE	ZINC	%	10.3%	10.3%	10.2%	9.6%
	LEAD	%	3.3%	3.3%	2.4%	2.1%
TOTAL METAL MINED	ZINC	TONNES	363	363	354	580
	LEAD	TONNES	117	117	83	126

### Ore mining

Plomosas produced a record 3,530 tonnes of ore during January 2019, with mined grades of 10.3% Zinc and 3.3% Lead. Ore grades are expected to increase once ore stoping commences at Tres Amigos from the 972mRL during this quarter.

Development of 222m was achieved, with the decline between Level 5 (992mRL) and 972mRL completed, along with 18m of cross cut to access the Tres Amigos orebody. The decline between 972 sub-level and 952 sub-level has been commenced and is expected to be completed by May 2019.

Stope 1000 has opened-up, with over 2 metres of massive high-grade ore extending along 6 metres of the stope face, and the 992SE stope has opened-up with the hanging wall ore and main zone coming together. These stopes will be developed on the 972 sub-level during February providing optionality of ore stoping for the next 6 months.

At Level 6 further ore has been identified both broken and remaining in the stopes. This ore will be exploited over the next few months.

During the first 4 months of operations more than 50% of the ore mined has come from areas that were outside of the mineral resource model. Exploration activities will commence during the quarter to define the significant mineralisation identified outside of the current resource model.

### Ore Processing

Ore deliveries to the Santa Eulalia concentrator totalled 3,556 tonnes during the month, with a recovery of 84% zinc to Zinc Concentrate and 85% lead to Lead Concentrate. These recoveries were below the prior month due to planned maintenance at the Santa Eulalia reducing the number of flotation cells available whilst routine relining activities were undertaken. Recoveries are expected to increase during February following the completion of scheduled maintenance at Santa Eulalia.

12 February 2019

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.

#### **Caution Regarding Forward Looking Statements and Forward Looking Information:**

*This report contains forward looking statements and forward looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of zinc and lead, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.*

*Except as required by law or regulation (including the ASX Listing Rules), Consolidated Zinc undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.*

#### **Production Targets:**

*Production targets referred to in this report are underpinned by estimated Mineral Resources which have been prepared by competent persons in accordance with the requirements of the JORC Code. The production targets in this report are sourced from both Indicated and Inferred Mineral Resources and it should be noted that there is a low geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target will be realised.*

*There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.*