

Plomosas Mine Production Report MARCH 2019

- **5,278 tonnes of ore processed, with 91.3% zinc to zinc concentrate recovery**
- **3,855 tonnes of ore mined at 12.41% zinc, 1.46% lead**
- **Development of 200m, Stope preparation on 972m RL Sublevel**

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

Ore Processing

Ore deliveries to the Santa Eulalia concentrator were 5,278 tonnes during the month, with reported recoveries of 91.3% zinc to zinc concentrate and 85.5% lead to lead concentrate. The concentrate grades were 46.6% zinc in concentrate and 49.6% lead in concentrate. The Plomosas ore concentrates to a low impurity concentrate which is highly desired by smelters.

Ore Production

MARCH 2019 PRODUCTION STATISTICS			Mar 2019	Feb 2019	Jan 2019	YTD 2019	2018
MINED	ORE	TONNES	3,855	3,873	3,539	11,267	6,075
	WASTE	TONNES	2,251	2,562	4,254	9,067	7,065
	DEVELOPMENT	METRES	200	190	222	612	409
MINED GRADE	ZINC	%	12.4%	9.6%	10.3%	10.7%	9.6%
	LEAD	%	1.5%	2.7%	3.3%	2.5%	2.1%
TOTAL METAL MINED	ZINC	TONNES	478	364	363	1205	580
	LEAD	TONNES	56	105	117	278	126

Ore mining

Plomosas mine has maintained production and increased mined grade, with 3,855 tonnes of ore mined for March at 12.41% zinc and 1.46% lead. Ore grades have increased as more ore comes from stopes. Sublevel 972mRL ore intersections were impressive, with the 972SLA and 972SLB stope areas both showing massive sulphide over more than 2m thickness. The resource model indicates that there is approximately 35,000t of ore located between 972SL and the Level 5. (992mRL). Stope production over the next four months will be provided from the 972SLA & B stopes. The Level 5 stopes will continue to deliver high grade ore during April.

During March CZL moved its development focus from advancing headings to improving services. It upgraded the air, water and ventilation to the 972SL stopes to enhance the operating efficiencies and safe working practices. CZL completed 200m of development during the month, with the 952m RL decline advancing 23.86m. The Level 5 lunch room was completed with positive pressure independent ventilation, water and a sealed area for emergency refuge. An air receiver and electrical power were installed on Level 5 and will provide stable compressed air and the power to drive the 75kW exhaust fan exhausting 972SL.

Massive sulphides are now presenting at the 1000 stope, 972SL A & B stopes with thickness over 2m and massive sulphide presents in 992 SE & N stopes with greater than 1.5m thickness.

The decline between 972 Sub-Level and 952 Sub-Level advanced 23.86m then stopped as the mine planning team considered a lower cost option to access the ore between Level 7 and Level 5. The mineralisation has a steeper dip between Level 7 and 972SL at 45 degrees. The plan is to rise on ore from Level 7 (917mRL) to the

11 April 2019

972SL. This will result in a US\$1.3M reduction in non-ore development during 2019 and allow access to the mineralisation between Level 7 and 972SL earlier than planned.

Ore Processing

CZL increased ore delivery to the Santa Eulalia concentrator to 5,278 tonnes during the month. Invoices for Lot 4 and 5, both 3,000t, were presented during the month. Lot 4 was paid and Lot 5 will be paid in April. The metallurgical recovery at Santa Eulalia concentrator increased as the quantity of tonnes of the more amenable Plomosas ore increases as a proportion of total feeds to the Santa Eulalia concentrator. The process recovery for Lot 4 was 91.27%.

During April 2019 ore delivery to the Santa Eulalia concentrator will continue to increase, while ore feed to the Aldama concentrator will commence as part of the new toll treatment agreement announced earlier this month (see ASX Announcement dated 1 April 2019). This change will allow the Plomosas mine to increase processed tonnes over the next few months.

For and on behalf of Consolidated Zinc Limited.



Brad Marwood
Managing Director

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.