

## Plomosas Operations Update AUGUST 2019

- **2,794 tonnes of ore mined, with mined grades of 14.1% Zinc, 8.2% Lead and 42 g/t Silver**
- **2,913DMT of ore processed, with processed grades of 13.5% Zinc, 7.9% Lead and 39 g/t Silver**
- **Ore stockpile of 7,123 tonnes available for processing through the Aldama facility**
- **2 months' plant upgrade completed on schedule and commissioned at 200t/d**

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

### Ore Production (WMT)

AUGUST 2019 PRODUCTION STATISTICS			July 2019	Aug 2019	YTD 2019
MINED	ORE	TONNES	3,354	<b>2,794</b>	<b>33,296</b>
	WASTE	TONNES	593	<b>1,422</b>	<b>16,052</b>
	DEVELOPMENT	METRES	65	<b>76</b>	<b>1,333</b>
MINED GRADE	ZINC	%	14.3	<b>14.1</b>	<b>13.3</b>
	LEAD	%	8.3	<b>8.3</b>	<b>5.5</b>
TOTAL METAL MINED	ZINC	TONNES	480	<b>394</b>	<b>4,430</b>
	LEAD	TONNES	278	<b>232</b>	<b>1,849</b>

### Ore mining

Ore mining activities were reduced during July and August to match ore processing throughput and manage the run of mine stockpile levels.

On-ore decline development progressed to the 900mEL level where historical development and limited mining has occurred. The 900mEL level provides a 200m long access to the high-grade semi oxide ("SOX") mineralised zone. The ground conditions have been made safe and the 900mEL level surveyed in preparation for higher rates of mining from the SOX zone.

### Ore Processing

The third party Aldama Concentrator ("Aldama") milled 2,913 tonnes during August, a 10% increase from 2,600 tonnes milled in July 2019.

During August, Aldama increased processing capacity from 100t/d to 200t/d operations with the installation of additional equipment. Works are continuing to further increase capacity to 300t/day. The availability of Aldama was 76% in August, lower than the 85% achieved in July, due to the upgrade works and planned shutdowns required to install additional flotation cells, larger mill discharge pumps, extra cyclones and expanded reagent mixing capacity. In addition, there were significant lightning strikes within the vicinity of Aldama that caused extensive power outages within the region contributing to lower availability. August is the peak month for lightning and summer storm related activity in Chihuahua.

Ore grades milled were 13.5% Zinc, 8.0% lead and 39 g/t Silver, that has resulted in the production of high quality clean concentrates free of any deleterious elements to smelting and refining.

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Zinc and Lead recoveries during August were negatively affected by the lower plant availability and a faulty pH sensor, with zinc to zinc concentrate recovery of 55.5% compared to 60.3% in July.

Aldama's operational performance and stability improved in the second half of August and with the establishment of steady state operations, the Company expects improvement in ore processing throughput and recoveries during the remainder of the third quarter.

For and on behalf of Consolidated Zinc Limited.

**Brad Marwood**  
**Managing Director**  
**Consolidated Zinc Limited**

#### **ABOUT CONSOLIDATED ZINC**

Consolidated Zinc Limited (ASX: CZL) owns 100% 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.*