

11 September 2019

Dear Shareholder,

PRO-RATA NON-RENOUCEABLE RIGHTS OFFER

As announced on 10 September 2019, Consolidated Zinc Limited ("Company") is seeking to raise up to approximately \$2,481,127 by a pro-rata non-renounceable rights offer ("Offer") of up to approximately 225,557,032 shares on the basis of 1 new share ("New Share") for every 6 shares held at an issue price of 1.1 cents per New Share. The Company expects to lodge an offer document for the Offer ("Offer Document") with the ASX on 18 September 2019.

In conjunction with the Offer, the Company is to undertake a placement under its existing Listing Rule 7.1 capacity to sophisticated, professional and other exempt investors to raise \$1,000,000 before costs at 1.1 cents per Share ("Placement").

Joint Lead Managers to the Placement are Pinnacle Corporate Finance Pty Ltd ("Pinnacle") and Gleneagle Securities (Aust) Pty Ltd. They will together be paid a 6% capital raising fee and be issued with 10,000,000 unlisted Options (2 cents and 30 September 2021). The Placement will be settled after the Record Date for the Offer so the placees will not participate in the Offer.

The funds raised under the Offer and the Placement will be used to fund the Plomasas Mine operations pending the processing and sale of zinc and lead concentrate currently stockpiled, to repay unsecured director loans, for working capital and to meet Offer expenses.

The Offer is fully underwritten by Pinnacle. Pinnacle will be paid a 4% underwriting fee and a 2% management fee on the full rights issue amount and be issued with 10,000,000 unlisted Options (2 cents and 30 September 2021).

The Company's largest shareholding group is the Copulos Group with a current voting power of 29.51%. The Copulos Group will apply for its full entitlement.

The timetable for the Offer is as follows:

Pro-rata Offer announced	10 September 2019
New Shares quoted on an "ex" basis (date from which the New Shares commence trading without the entitlement to participate in the Offer).	12 September 2019
Record Date (date for identifying Shareholders entitled to participate in the Offer).	13 September 2019
Placement Shares issued (approximately)	17 September 2019
Offer Document with Entitlement Form sent to Eligible Shareholders	18 September 2019
Offer opens	18 September 2019
Closing Date	2 October 2019

(last date for lodgement of Entitlement Forms and Application Money)	
Trading of New Shares commence on a deferred settlement basis	3 October 2019
Company to notify ASX notified of the Shortfall (if any)	7 October 2019
Issue of New Shares and end of deferred settlement trading	9 October 2019

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("Eligible Shareholders").

Assuming that no Options or convertible securities are exercised or converted before the Record Date, the effect of the Offer and the Placement on the Company's issued share capital is shown in the following table:

Shares	Full Subscription
Existing Shares	1,353,342,190
Placement Shares	90,909,091
New Shares issued under the Offer	225,557,032
Total Shares on issue after completion of the Offer	1,669,808,313

It is anticipated that the Offer Document offering New Shares for subscription will be mailed to Eligible Shareholders on 13 September 2019. The Offer Document may be viewed on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.consolidatedzinc.com.au.

Application will be made to ASX for official quotation of the New Shares. No shareholder approval is required to the Offer.

Overseas shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully

Mr Brad Marwood
Managing Director
Consolidated Zinc Limited