



**CONSOLIDATED ZINC LTD**

**PLOMOSAS POSITION AND POTENTIAL  
SHAREHOLDER UPDATE 21 MAY 2020**



## READY TO RESTART – MINING AND EXPLORATION



Successfully transitioned to owner operating mining

Costs reducing



Operations paused by COVID-19

Restarted 18 May 2020



Operations optimised during downtime, opening up more stopes. Commodity price have upward pressure



Exciting gold exploration results

Significant holder of ground in under-explored district



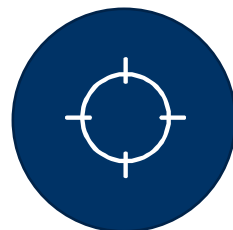
Targeting growth from surface gold exploration and development of higher grade (>25% Zn Eq) base metals production



## GOLD EXPLORATION – RESULTS AND PLANS



- First systematic gold exploration program undertaken in the area
- Gold exploration completed in north western tenement areas
  - Including 94 samples over 2 campaigns
- Widespread gold bearing structurally controlled system identified
- Chona-Enrique vein system extends for over 1.0km at surface
  - grades to 62g/t gold and 3% copper, width 0.2m to >2m
- Potrero Prospect, High-K felsic intrusive structure extends for 1500m
  - with two repetitions, grades to 15g/t gold, width >2m
- Entitlement Issue funds to fund further exploration at:
  - Chona-Enrique Prospect
    - Additional mineralised systems to northeast and parallel to trend for high grade shoots
  - Potrero Prospect
    - Focus on the +3km strike length of exposed
- Access to high grade mineralisation just outside of concession being negotiated



For details refer slides 4 to 6

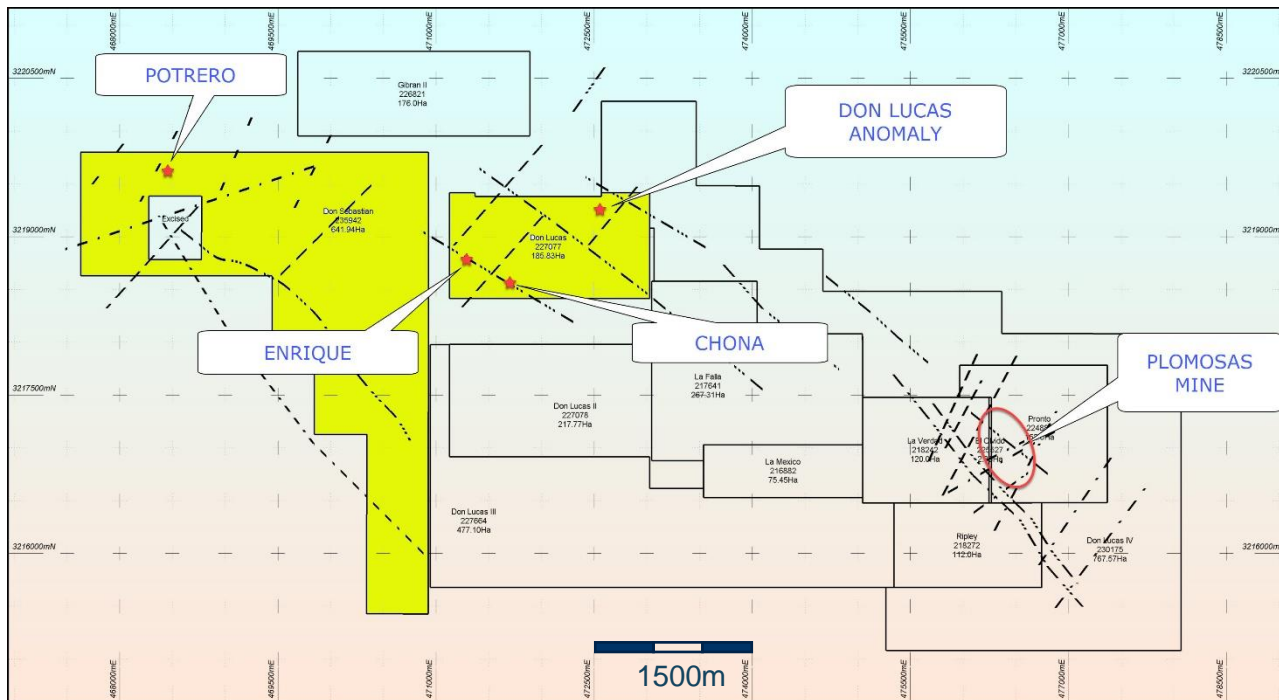
# GOLD EXPLORATION POTENTIAL AT PLOMOSAS



EXPLORING 7KM WITHIN CURRENT LEASES

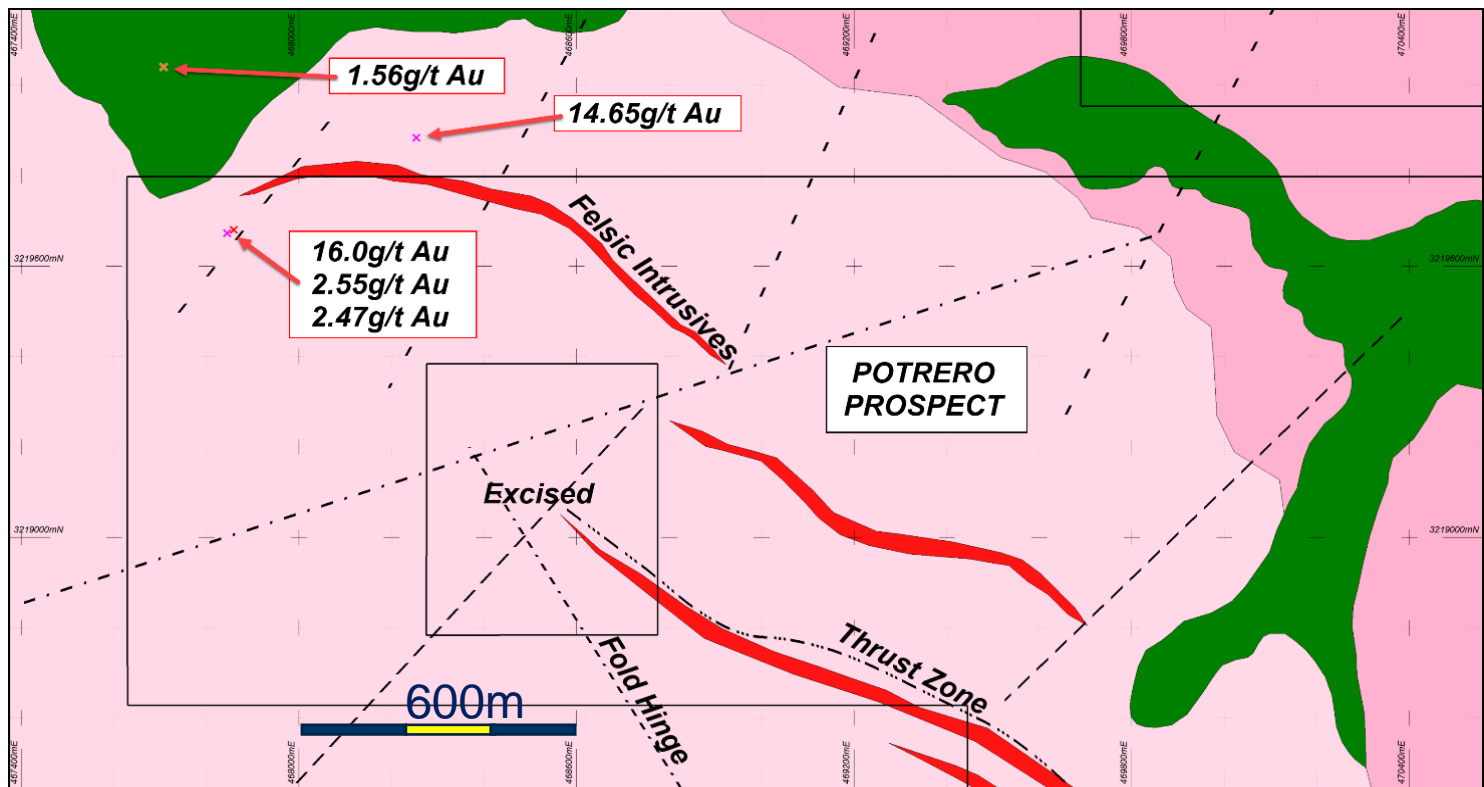


# PLOMOSAS GOLD PROSPECTS AND EXPLORATION





## POTRERO PROSPECT AREA

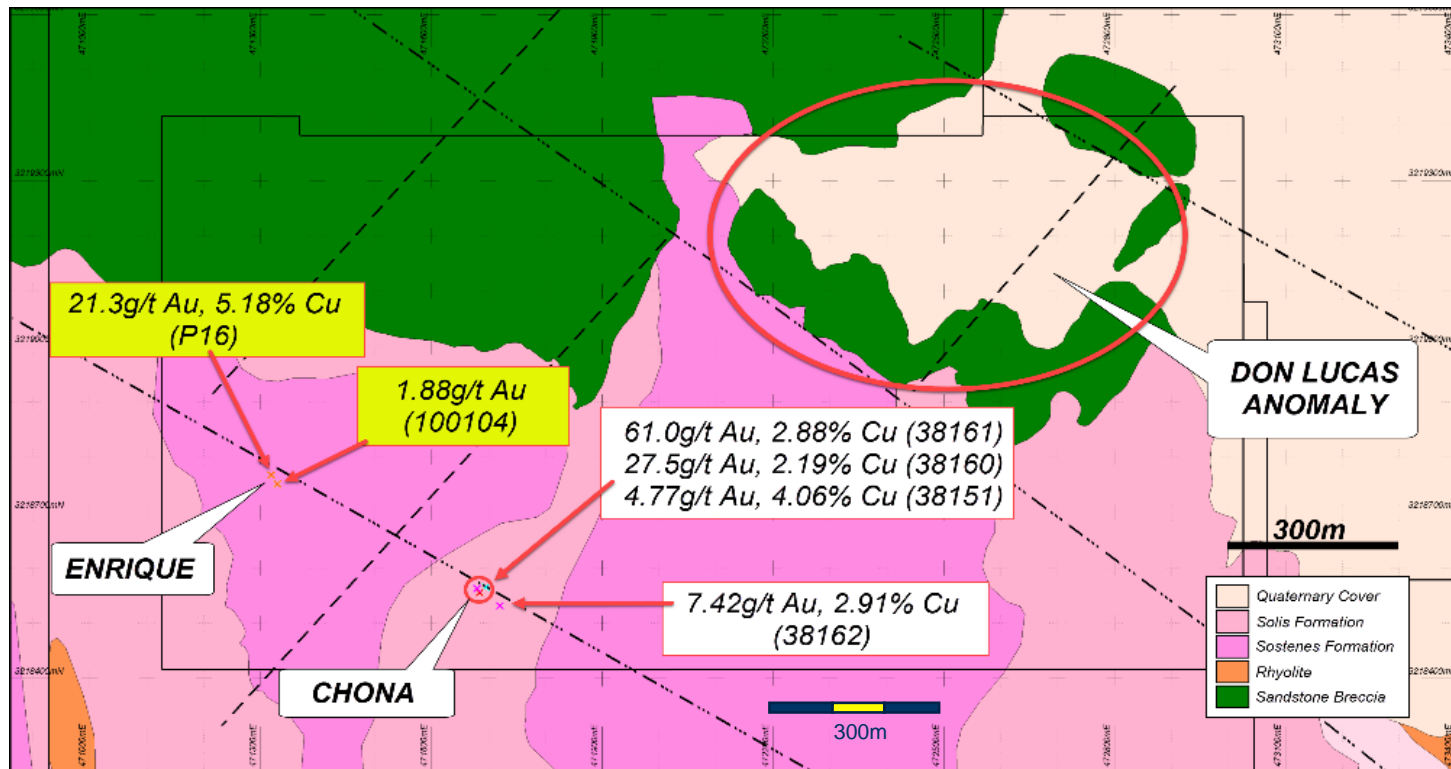


Note: Excised means concession area not owned by MLAZ





## CHONA – ENRIQUE VEIN SYSTEMS



Note: Chona – Enrique are 420m apart along strike



## HIGHLIGHTS OF ANOMALOUS GOLD AND COPPER ROCK CHIP SAMPLING

Project	Sample No	Sample Type	Rock type	Au (g/t)	Cu %	Zn %	Ag (g/t)	Pb %
Chona- Enrique prospect	38158	Selected	Vein	4.77	4.06	0.00	3.80	0.00
Chona- Enrique prospect	38160	Selected	Vein	27.50	2.19	0.00	4.10	0.00
Chona- Enrique prospect	38161	Selected	Vein	61.00	2.88	0.00	6.90	0.00
Chona- Enrique prospect	38162	1m Channel	Limestone	7.42	2.91	0.00	4.20	0.00
Potrero	38175	Grab Sample	Breccia	2.55	0.00	0.00	0.03	0.00

Refer to ASX Announcement dated 30 January 2020 for full details





# PLOMOSAS MINE, MEXICO

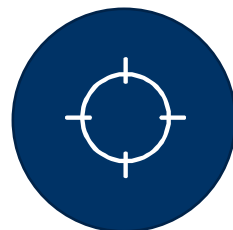




## OPERATIONS– PRODUCTION AND OPTIMISATION



- Mine site repairs and maintenance undertaken during lockdown
- Plant maintenance works to optimise the plant performance
- ~10,000 tonnes ore mined and processed Q1 2020
- Q1 2020 cash costs US\$1.05/lb zinc down 29% from Q4 2019
- Operating costs down 20% from January to US\$0.98/lb in March
- COVID-19 health measures implemented

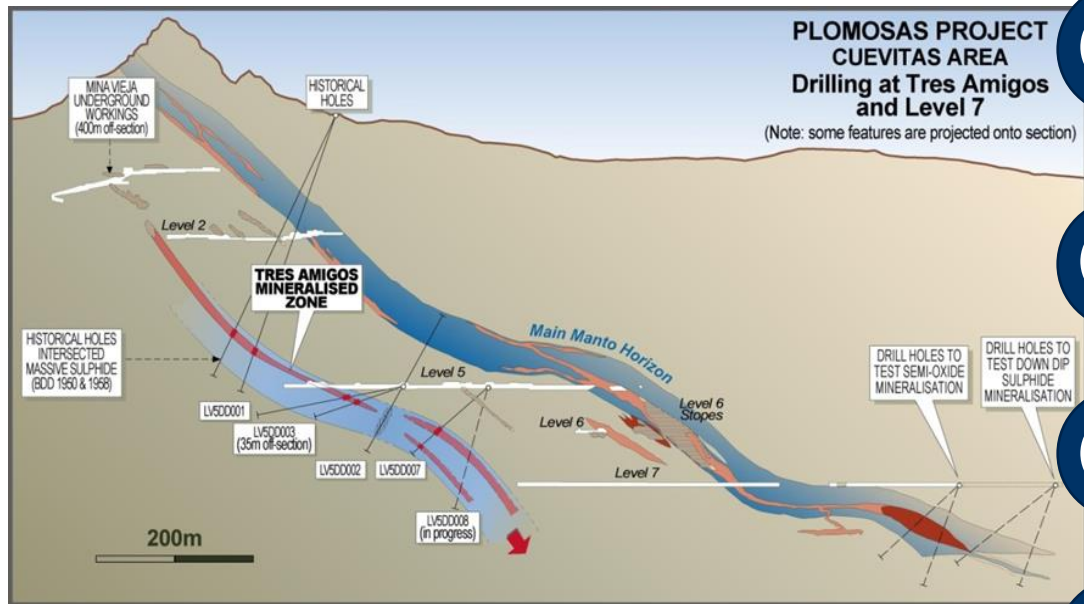


- Operations restarted 18 May 2020
- Mine plan exploiting >20% Zn Eq over next 12 months
- Plant operations to be stabilised and optimised at 200t/d
- Blended feed 25% Sulphides & 75% Oxides to maximise recovery
- New staff contracts to align performance and remuneration
- New supplier contracts to deliver further cost improvements

Note: Zn Eq assumes lead and Zinc valued at equal value



# PLOMOSAS MINE GEOLOGY & MINERALISATION



**GENERALISED CROSS SECTION THROUGH PLOMOSAS  
SHOWING MULTIPLE LIMESTONE RICH UNITS AND PINCH  
AND SWELL OF THE OREBODIES**

Zinc and lead sulphide **mineralisation is contained within carbonate-rich units** such as limestones and marbles within a large basinal sedimentary sequence.

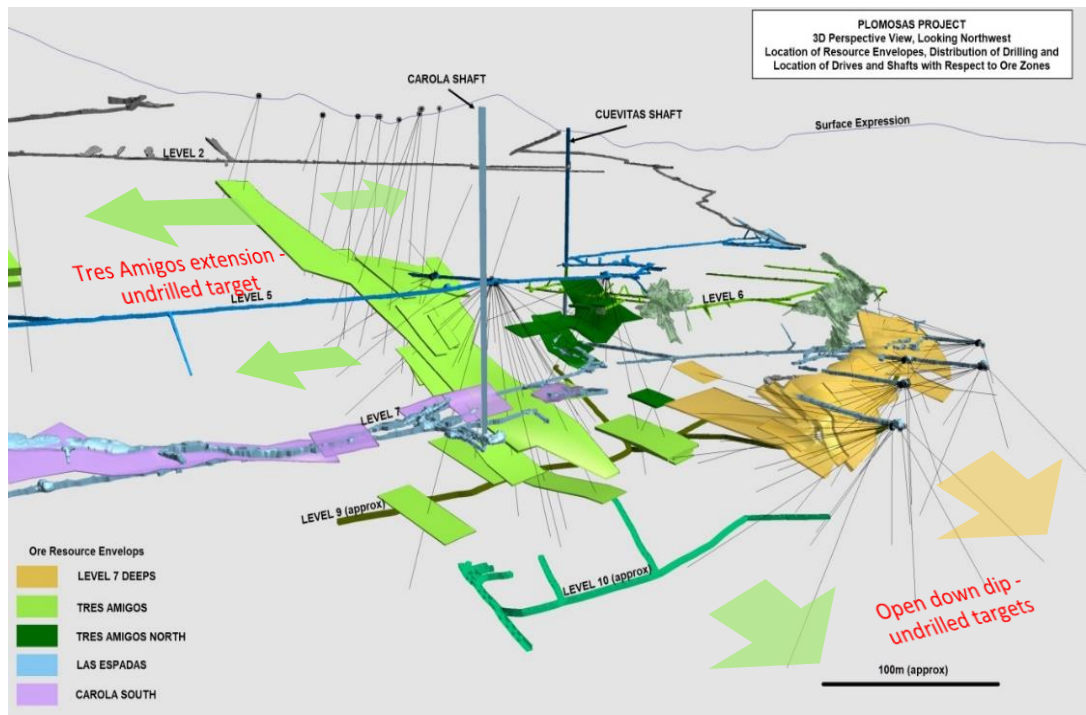
Mineralisation preferentially replaces the carbonate so **multiple stacked limestone sequences are highly prospective** for Zn, Pb and Ag, especially where cross-cutting structure can provide plumbing pathways.

The **cross-cutting structures** along which mineralised fluids migrate between limestone units are also prospective.

Flexures in the stratigraphy seems to **influence the thickness of the mineralisation** and some pinching and swelling can occur.



# PLOMOSAS SILVER LEAD ZINC MINE LAYOUT



360m

**Extensive underground access** to 360 metres below surface (mbs) - in good condition for mining and exploration drilling



**Haulage via decline capacity up to 350t/d**



**Stoping progressing** on Level 7: 4 stopes and SOX from Level 7



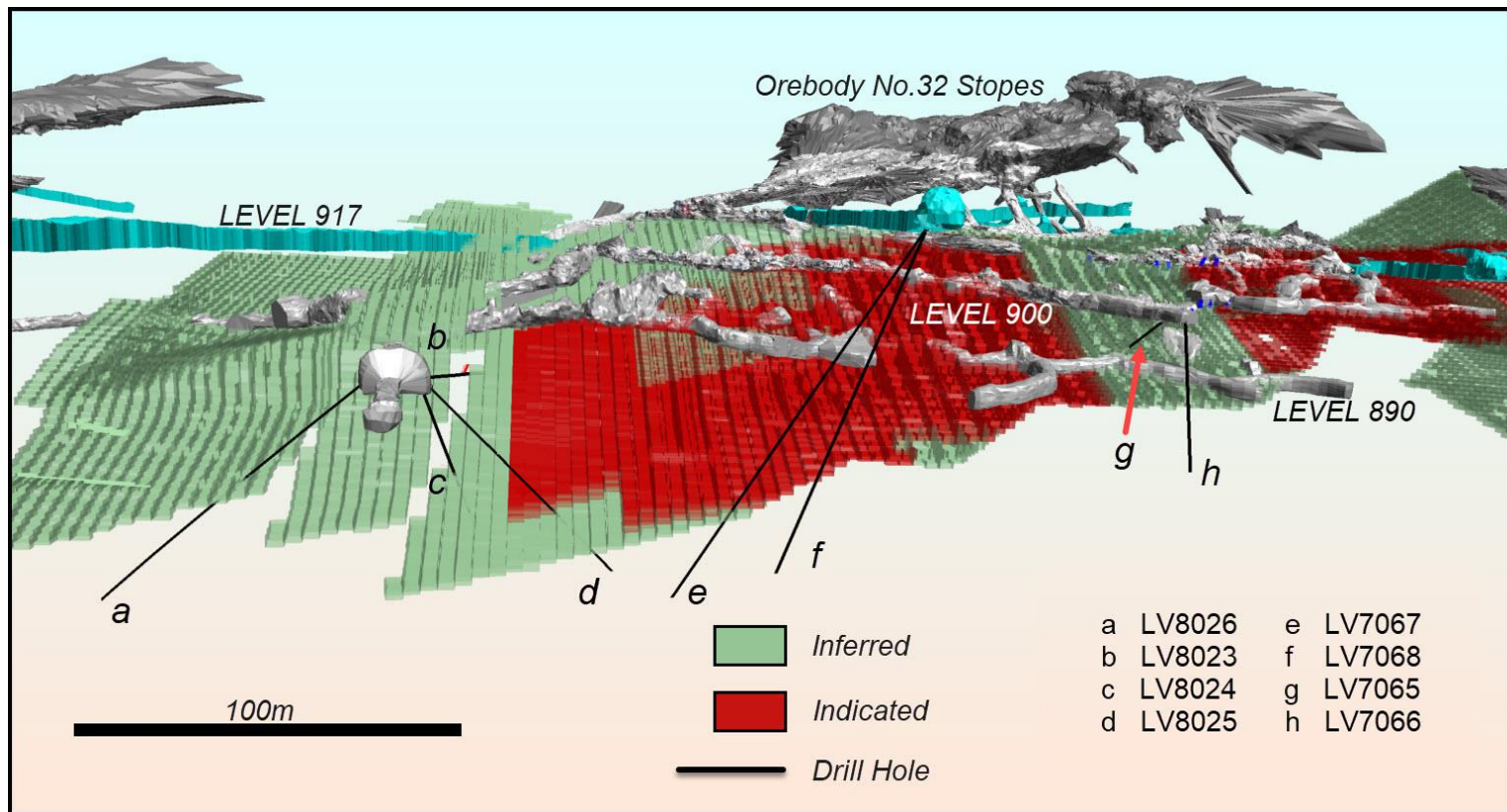
**Development works for 12 months stope access completed**



**Decline extension to 888mRL completed, stope development completed**



# BASE METAL INFILL DRILLING EXCELLENT RESULTS





# JORC (2012) MINERAL RESOURCE AS DEPLETED DECEMBER 2019

Prospect	Indicated Mineral Resource						
	Tonnes	%Zn	%Pb	g/t Ag	Zn tonnes	Pb tonnes	Ag oz
Level 7	107,000	19.7	9.5	557.7	17,000	8,000	157,000
Tres Amigos	42,000	7.7	2.3	12.0	3,000	1,000	16,000
Tres Amigos North	38,000	7.8	3.6	13.1	3,000	1,000	16,000
<b>Sub Total</b>	<b>165,000</b>	<b>13.9</b>	<b>6.3</b>	<b>325.7</b>	<b>23,000</b>	<b>10,000</b>	<b>189,000</b>
	Inferred Mineral Resource						
	Tonnes	%Zn	%Pb	g/t Ag	Zn tonnes	Pb tonnes	Ag oz
Level 7	146,000	13.6	6.4	31.7	20,000	9,000	149,000
Tres Amigos	439,000	14.0	1.2	11.6	62,000	5,000	163,000
Tres Amigos North	78,000	10.1	3.6	16.7	8,000	3,000	42,000
Carola	59,000	11.5	5.1	31.4	7,000	3,000	60,000
Las Espadas	77,000	10.5	4.2	14.8	8,000	3,000	36,000
<b>Sub Total</b>	<b>799,000</b>	<b>13.0</b>	<b>3.0</b>	<b>17.5</b>	<b>104,000</b>	<b>24,000</b>	<b>450,000</b>
	Total Mineral Resource						
	Tonnage	Zn	Pb	Ag	Zn	Pb	Ag
Level 7	231,000	15.8	7.6	41.2	37,000	17,000	306,000
Tres Amigos	481,000	13.5	1.3	11.6	65,000	6,000	179,000
Tres Amigos North	116,000	9.4	3.6	15.5	11,000	4,000	58,000
Carola	59,000	11.5	5.1	31.4	7,000	3,000	60,000
Las Espadas	77,000	10.5	4.2	14.8	8,000	3,000	36,000
<b>Total</b>	<b>964,000</b>	<b>13.25</b>	<b>3.5</b>	<b>20.6</b>	<b>127,000</b>	<b>34,000</b>	<b>639,000</b>

**April 2020 Mineral  
Resource Estimate  
(3% Zn Cut-off)**

Refer to ASX announcement dated 29 April 2020 for full details





# CORPORATE OVERVIEW



MLAZ has 1% NSR Royalty on all mineral sales with the former Joint Venture Partner

## CAPITAL STRUCTURE (PRE-ENTITLEMENT ISSUE)

Share price	A\$0.004
Market Capitalisation	A\$6.9M
Shares on Issue	1,725,933,313
Options on Issue	123,283,882
Performance Rights	129,750,000
Cash & Accounts Receivable (31/03/20)	US\$2.2M
Debt & Con Notes (31/03/20)	US\$1.2M

## SUBSTANTIAL SHAREHOLDERS

Copulos Group	32%
Chris Retzos	7%

## SHARE REGISTRY

Board/Management	1%
Other	99%





# DIRECTORS AND MANAGEMENT

LED BY A TEAM OF HIGHLY SUCCESSFUL, EXPERIENCED MINING PROFESSIONALS

## **CHAIRMAN** **Mr Andrew Richards**

- Over 30 years' experience as a geologist in exploration, mine production, corporate management and project finance with an international bank
- Andrew has extensive international experience and has been on the boards of several unlisted and listed companies on the ASX and AIM
- Andrew is also Chairman of Big River Gold Limited

## **MANAGING DIRECTOR** **Mr Brad Marwood**

- Mining Engineer with over 30 years' experience developing mines globally
- Grown ASX junior explorers to ASX 200 listed production companies
- Specialist in large scale open cut and small-scale underground mines in base metal and precious metals
- Brad is a Director of Middle Island Resources Limited
- Served with public companies for the past 25 years.

## **NON-EXECUTIVE DIRECTOR** **Ms Angela Pankhurst**

- 20 years experience as executive and non-executive director with a background in corporate governance, accounting and business management
- Angela is a Director of PanTerra Gold Limited and Imritec Limited
- Expertise in transitioning explorers to miners in numerous countries.

## **CHIEF FINANCIAL OFFICER / COMPANY SECRETARY** **Mr Anthony Italiano**

- A Chartered Accountant with more than 15 years' corporate experience across senior finance roles in the resources sector
- Anthony has experience internationally in corporate governance, operations, financing, commodity marketing and trading
- Extensive experience in transitioning junior explorers to producers.

## **GENERAL MANAGER OPERATIONS MEXICO** **Mr Roderick Young**

- Rod has 30 years of international experience with development and expansion of mine
- Gold and base metal expertise with small-scale hand held mining operations
- Remote site management and territory management during the past 10 years



# SOCIAL RESPONSIBILITY

## CZL HAS UNDERTAKEN ACTIVITIES IN:



Providing water to long-term residents in the Chihuahua Desert



Assisting with waste management for local community Falomir



Maintaining the access road



Sustainable projects with Falomir mayor



Supporting local ranchers

**CZL IS WORKING WITH LOCAL GOVERNMENT TO BENEFIT THE COMMUNITY**





# IMPORTANT INFORMATION

## FORWARD-LOOKING STATEMENTS AND 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.

## COMPETENT PERSONS' STATEMENT

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Mr Steve Boda BSc (Hons), MAIG, MGSA, MSEG. Mr Boda is a Member of Australian Institute of Geoscientists (AIG).

Mr Boda has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr Boda consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources were first reported by the Company in compliance with JORC 2012 in market release dated 29 April 2020.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions and technical parameters underpinning the ore reserve and mineral resource estimates contained in those market releases continue to apply and have not materially changed.



**CZ CONSOLIDATED ZINC LTD**