

FINANCE FACILITIES CONSOLIDATED

- Copulos Group convertible notes that matured on 30 June 2020 refinanced into new convertible notes;
- Unsecured loan facility from the Copulos Group re-financed into new convertible notes; and
- Third party convertible note to be redeemed and repaid in cash.

Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to advise it has refinanced existing convertible notes and unsecured loan facilities with the Copulos Group into a new convertible note facility.

The Company has entered into an agreement with the Copulos Group to consolidate outstanding debt under its Existing Notes and unsecured loan facilities (“Existing Loans”) into 4 new convertible notes (“New Convertible Notes”) with the following key terms:

- Maturity date of 30 June 2022;
- Conversion price \$0.003 per share;
- Interest rate of 10.0% per annum; and
- Principal value of A\$1,127,826 (in aggregate).

The New Convertible Notes are subject to shareholder approval under listing rule 10.11 at the Company’s upcoming AGM to be held on 31 July 2020.

Subject to the approval of shareholders, on completion of the issue of the New Convertible Notes the Company’s borrowings will be as detailed in Table 1 below:

Table 1: Borrowings at 1 July 2020 (subject to shareholder approval of the New Convertible Notes)

Facility	Principal	Maturity Date
New Convertible Notes	A\$1,127,826	30 June 2022
Existing convertible note*	A\$180,772	27 August 2020
Unsecured loan facility**	A\$100,000	31 June 2021
Total	A\$1,408,598	

* Holder is a Copulos Group member

**Lender not related to the Copulos Group

Refer to Appendix 1 for a summary of the key terms of the New Convertible Notes.

The Company advises that the holder of a \$200,000 convertible note maturing on 30 June 2020 has elected to redeem the convertible note plus capitalised interest in full was repaid in cash.

This announcement was authorised for issue to the ASX by the Directors of the Company.

For further information please contact:

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APPENDIX 1 – SUMMARY OF KEY TERMS OF THE NEW CONVERTIBLE NOTES

The key terms of the New Convertible Notes are set out below.

New Convertible Note	Relevant member of Copulos Group	Amount advanced	Interest rate	Conversion price per Share	Repayments made	Maturity date	Outstanding balance
NCN1	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	Nil (deemed to be \$91,388)	10% per annum	\$0.003	Nil	30 June 2022	\$91,388
NCN2	Eyeon No 2 Pty Ltd ACN 147 903 446	Nil (deemed to be \$238,411)	10% per annum	\$0.003	Nil	30 June 2022	\$238,411
NCN3	Eyeon No 2 Pty Ltd ACN 147 903 446	Nil (deemed to be \$465,935)	10% per annum	\$0.003	Nil	30 June 2022	\$465,935
NCN4	Eyeon Investments Pty Ltd ACN 096 482 781	Nil (deemed to be \$332,092)	10% per annum	\$0.003	Nil	30 June 2022	\$332,092

Additional term keys of the New Convertible Note are as follows:

- a) Shareholders of the Company must first approve the New Convertible Notes as a condition precedent to the New Convertible Notes coming into force;
- b) The consideration to the Company for issuing the New Convertible Notes is the discharge of the Existing Notes and the Existing Loans, which have maturity dates ranging from 30 June 2020 to 30 June 2021. The conversion price per Share under the New Convertible Notes is A\$0.003;
- c) If the Copulos Group decides to convert the New Convertible Notes into Shares, they will be required to give notice to the Company of their intention to have the Shares converted and must indicate the amount being converted. The Company has 14 days to issue the Shares to the relevant noteholder;
- d) If the Copulos Group decides to convert the New Convertible Notes into cash, the Company will have 3 months from the maturity date to pay the amount due;
- e) If the Company reorganises its capital, the conversion price will be adjusted by the Company accordingly to reflect the dilution in value of the Shares to be issued, and otherwise in accordance with the Listing Rules;
- f) Subject to Shareholder approval, the New Convertible Notes will accrue interest at 10% per annum with effect from 1 July 2020;
- g) No funds will be raised from the issue of the New Convertible Notes.