

Consolidated Zinc Limited
ACN 118 554 359

Notice of Annual General Meeting

Notice is given that the annual general meeting of the Company will be held at:

Time	2:00pm (AWST)
Date	Friday, 31 July 2020
Place	Level 13, 37 St Georges Terrace Perth WA 6000

Important: This Notice is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.

Notice of Annual General Meeting

Notice is given that the annual general meeting of Consolidated Zinc Limited ACN 118 554 359 (**Company**) will be held at 2:00pm (AWST) on Friday, 31 July 2020 at Level 13, 37 St Georges Terrace, Perth, Western Australia, 6000 (**Meeting**).

Agenda

1 Annual Report

To table and consider the Annual Report of the Company for the financial year ended 31 December 2019, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

2 Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Report for the financial year ended 31 December 2019.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member, subject to the applicable exceptions described in this Notice.

3 Resolution 2 – Re-election of Andrew Richards as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of articles 6.3(b) and 6.3(f) of the Constitution and for all other purposes, Andrew Richards, who retires as a Director by rotation and, being eligible, offers himself for re-election as a Director, is re-elected as a Director.”

4 Resolution 3 – Approval of the Additional 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities under the Additional 10% Placement Capacity, as described in the Explanatory Statement.”

5 Resolution 4 – Appointment of HLB Mann Judd as the Auditor

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, HLB Mann Judd, having been nominated by a Shareholder and having consented, is appointed as the Auditor.”

6 Resolution 5 – Amendment to the Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution to include the specific wording set out in the Explanatory Statement.”

7 Resolution 6 – Prior issue of Shares under the First Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue by the Company of 90,909,091 Shares at an issue price of \$0.011 each under the First Placement, as described in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of an investor under the First Placement or an associate of that person, subject to the applicable exceptions described in this Notice.

8 Resolution 7 – Prior issue of Shares under the Second Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue by the Company of 190,000,000 Shares at an issue price of \$0.003 each under the Second Placement, as described in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of an investor under the Second Placement or an associate of that person, subject to the applicable exceptions described in this Notice.

9 Resolution 8 – Issue of New Options under the Second Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 190,000,000 New Options at an issue price of nil each under the Second Placement, as described in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) an investor under the Second Placement or any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder); or (b) an associate of that person or those persons, subject to the applicable exceptions described in this Notice.

10 Resolution 9 – Issue of New Convertible Notes and Shares to the Copulos Group

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to the Copulos Group (or its nominees) 4 New Convertible Notes and any Shares upon their conversion at an effective issue price of \$0.003 each, as described in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) the Copulos Group and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder); or (b) an associate of that person or those persons, subject to the applicable exceptions described in this Notice.

Voting exclusions and exceptions

If a voting exclusion applies to a Resolution then it is set out below the Resolution. The voting exclusions for the following Resolutions are subject to the following exceptions (as applicable).

Resolution	Exceptions
1	<p>A person (voter) described in the voting exclusion may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in the voting exclusion and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on the Resolution; and (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
3, 6, 7, 8, 9	<p>The voting exclusion does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none"> (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting entitlements

The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 2:00pm (AWST) on 31 July 2020. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

- (a) Votes at the Meeting may be given personally or by proxy, attorney or representative.
- (b) A proxy need not be a Shareholder of the Company.
- (c) The Proxy Form sent with this Notice should be used for the Meeting.
- (d) Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.
- (e) In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.
- (f) Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.
- (g) Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- (h) Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- (i) A member of the Key Management Personnel (which includes each Director) will not be able to vote as proxy on Resolution 1 unless the Shareholder directs it how to vote or, in the case of the Chair, unless the Shareholder expressly authorises the Chair to do so.
- (j) If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as its proxy, the Shareholder should ensure that it directs the member of the Key Management Personnel how to vote on Resolution 1.
- (k) If a Shareholder intends to appoint the Chair as its proxy for Resolution 1, the Shareholder can direct the Chair how to vote by marking one of the boxes for Resolution 1 (e.g. if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 1 even though it is connected to the remuneration of a member of the Key Management Personnel.
- (l) Proxy Forms (including any instruments under which they have been executed) and powers of attorney granted by Shareholders must be lodged with the Company's share registry, Link Market Services:
 - (i) by post to Locked Bag A14, Sydney South, NSW 1235;

- (ii) by hand at 1A Homebush Bay Drive, Rhodes, NSW 2138;
- (iii) online at www.linkmarketservices.com.au; or
- (iv) by facsimile to +61 2 9287 0309,

so that they are received no later than 48 hours before the commencement of the Meeting.

- (m) The Chair intends to vote all available proxies in favour of the Resolutions.

Document components

This document includes this Notice and the accompanying Explanatory Statement and Proxy Form.

Authorisation

By order of the Board.

Anthony Italiano
Company Secretary

2 July 2020

Explanatory Statement

This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions.

1 COVID-19 impacts

1.1 Date of the Annual General Meeting

The Company would ordinarily need to hold the Annual General Meeting on or before 31 May 2020, being 5 months after its financial year end date. However, as a temporary measure in response to the COVID-19 pandemic, ASIC has adopted a 'no-action' position which allows entities like the Company to hold their annual general meetings up to 2 months beyond the usual deadline.

Accordingly, and given the practical difficulties caused by the social distancing restrictions that are only now being relaxed, the Company has decided to hold its Annual General Meeting on Friday, 31 July 2020.

1.2 Access to this Notice

On 5 May 2020, the Commonwealth Treasurer introduced temporary modifications to the Corporations Act to allow a notice of annual general meeting to be provided to shareholders electronically. Accordingly, Shareholders will not receive a hard copy of this Notice of Annual General Meeting. Instead, this Notice will be available for download from the Company's website at www.consolidatedzinc.com.au/investors/asx-announcements.

2 Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available on the Company's website at www.consolidatedzinc.com.au.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions as permitted by the Corporations Act.

3 Resolution 1 – Adoption of the Remuneration Report

3.1 Overview

Section 250R(2) of the Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or its directors.

The remuneration report sets out the company's remuneration arrangements for its directors and senior management. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

3.2 Voting consequences

The vote on this Resolution is advisory only and does not bind the Company or its Directors. However, the Directors take the discussion at the Meeting and the outcome of the vote into account when considering the Company's remuneration policies and practices.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of its directors (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on the remuneration report resolution are voted against adoption of the remuneration report, and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors who were in office when the directors' report (as included in the company's most recent annual report) was approved (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Those who are elected or re-elected as directors at the Spill Meeting will then be the directors of the company (as well as any managing director).

3.3 Previous voting results

At the Company's last annual general meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, the Spill Resolution is not relevant to this Annual General Meeting.

3.4 Directors' recommendation

The Directors encourage all Shareholders to vote on the adoption of the Remuneration Report.

4 Resolution 2 – Re-election of Andrew Richards as a Director

4.1 Overview

Article 6.3 of the Constitution provides that, at each annual general meeting of the Company, one third of its Directors (excluding any managing director) must retire from office, but are eligible for re-election at the meeting.

At this Annual General Meeting, the Company's Non-Executive Chairman, Mr Andrew Richards, retires as a Director by rotation and, being eligible, offers himself for re-election.

4.2 Director background

Mr Richards is a geologist with more than 30 years of experience in the international mining industry which included company management and project finance. He has worked at a senior level in both production and exploration over a wide variety of areas and commodities and has undertaken technical reviews, project audits and monitored project construction. He is a member of the AusIMM, AIG, SEG and the AICD.

Mr Richards has worked extensively with gold, base metals, rare earths and industrial minerals in Australasia, Asia, Africa and South America. He is and has been on the boards of several listed companies on ASX and AIM and was previously Managing Director and CEO of two ASX listed companies operating in China.

Mr Richards has also held directorships with the following listed companies in the past 3 years:

Company	Appointment	Status
Hunter Resources plc	July 2014	Current
Big River Gold Limited	February 2019	Current

4.3 Directors' recommendation

The Directors (with Mr Richards abstaining) recommend that Shareholders vote in favour of this Resolution.

5 Resolution 3 – Approval of Additional 10% Placement Capacity

5.1 Overview

Listing Rule 7.1A provides that an 'eligible entity' may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital at the time of issue calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 (**Additional 10% Placement Capacity**) without using that company's existing 15% annual placement capacity under Listing Rule 7.1 and without requiring further shareholder approval prior to the issue.

The Company is seeking approval under this Resolution to have the flexibility to issue additional securities under Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Company to undertake any issue of securities under the Additional 10% Placement Capacity if Shareholders approve this Resolution.

If this Resolution is passed, the Company will effectively be able to issue equity securities up to a combined annual placement capacity of 25% under Listing Rules 7.1 and 7.1A (subject to certain restrictions) without necessarily requiring prior Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the Additional 10% Placement Capacity to issue equity securities without Shareholder approval. This means the Company will only have access to the 15% annual placement capacity for issuing equity securities without necessarily requiring prior Shareholder approval under Listing Rule 7.1.

5.2 Listing Rule 7.1A

(a) Eligible entity

Under the Listing Rules, an 'eligible entity' is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. The Company is currently an 'eligible entity'.

(b) Special resolution

The Additional 10% Placement Capacity requires shareholder approval by way of a special resolution at an annual general meeting. This requires at least 75% of the votes to be cast in favour of the resolution by shareholders entitled to vote on the resolution.

(c) Securities which may be issued

Under the Additional 10% Placement Capacity, the Company may only issue securities belonging to an existing quoted class of its Equity Securities. As at the date of this Notice, the Company has two classes of quoted Equity Securities on issue, being Shares (ASX:CZL) and New Options (ASX:CZLO).

(d) **Interaction with Listing Rule 7.1**

The Additional 10% Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. Therefore, approval of this Resolution will enable the Company to issue Equity Securities under Listing Rule 7.1A without using its placement capacity under Listing Rule 7.1.

5.3 Information required by Listing Rule 7.3A

(a) **Effective period**

Shareholder approval of the Additional 10% Placement Capacity is valid from the date of the Meeting and expires on the earlier of:

- (i) the date that is 12 months after the Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (change involving main undertaking).

(b) **Minimum issue price**

The issue price of each Equity Security issued under the Additional 10% Placement Capacity must be no less than 75% of the volume weighted average price for the securities in that class, calculated over the 15 trading days on which trades of securities in that class were recorded immediately before:

- (i) the date on which the issue price is agreed for the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the agreement date, the date on which the Equity Securities are issued.

The Company will disclose this information when Equity Securities are issued under the Additional 10% Placement Capacity.

(c) **Purpose of issue**

The Company may only issue Equity Securities under the Additional 10% Placement Capacity for cash consideration, which it may do to fund any one or more of the following:

- (i) general working capital expenses;
- (ii) activities associated with its current assets, including production at the Plomsas Mine and exploration generally;
- (iii) repayment of debt; and
- (iv) acquisition and investment in new assets (including associated expenses).

The Company will comply with the disclosure requirements of Listing Rules 7.1A.4 and 3.10.5A upon issuing any Equity Securities under the Additional 10% Placement Capacity.

(d) **Dilution risks**

If Equity Securities are issued under the Additional 10% Placement Capacity, there is a risk of economic and voting dilution of Shareholders, including:

- (i) the market price for Equity Securities in the class of securities issued under the Additional 10% Placement Capacity may be significantly lower on the issue date

than on the date of approval under Listing Rule 7.1A (i.e. the date of the Meeting);
and

- (ii) the Equity Securities may be issued under the Additional 10% Placement Capacity at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised from the issue of the Equity Securities.

The table below illustrates:

- (i) the dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2, both as at the date of this Notice;
- (ii) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue as at the date of this Notice. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (e.g. a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting;
and
- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at 30 June 2020.

Number of Shares on issue (Variable 'A' in Listing Rule 7.1A2)	Issue price per Share			
		\$0.002 (50% decrease)	\$0.004 (current)	\$0.008 (50% increase)
2,491,244,944 (current)	Shares issued - 10% voting dilution	249,124,494 Shares	249,124,494 Shares	249,124,494 Shares
	Funds raised	\$498,249	\$996,498	\$1,494,747
3,736,867,416 (50% increase)	Shares issued - 10% voting dilution	373,686,742 Shares	373,686,742 Shares	373,686,742 Shares
	Funds raised	\$747,373	\$1,494,747	\$2,242,120
4,982,489,888 (100% increase)	Shares issued - 10% voting dilution	498,248,989 Shares	498,248,989 Shares	498,248,989 Shares
	Funds raised	\$996,498	\$1,992,996	\$2,989,494

Notes:

- 1 There are currently 2,491,244,944 Shares on issue (including Shares subject to escrow).
- 2 The issue price used is the closing price of the Shares on the ASX on 30 June 2020.
- 3 The Company issues the maximum possible number of Equity Securities under the Additional 10% Placement Capacity.
- 4 The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- 5 The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes New Options, it is assumed that those New Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- 6 The calculations do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7 This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- 8 The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(e) Allocation policy

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional 10% Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional 10% Placement Capacity, including whether the Company will engage with new investors or existing Shareholders and, if so, the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties who would otherwise require Shareholder approval under Listing Rule 10.11.

(f) Previous approval

The Company obtained approval from its Shareholders under Listing Rule 7.1A at its annual general meeting held on 23 May 2019. The Company did not, however, issue any Equity Securities pursuant to this approval.

(g) Voting exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A, nor is it proposing to make an issue of Equity Securities under Listing Rule 7.1A. Therefore, the voting exclusion under Listing Rule 7.3A.7 does not apply to this Resolution.

5.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

6 Resolution 4 – Appointment of HLB Mann Judd as the Auditor

6.1 Overview

Under section 327B of the Corporations Act, a company in a general meeting must appoint an auditor to fill any vacancy in the office of auditor at the subsequent annual general meeting of the company.

As announced to ASX on 23 July 2019, the Company changed its Auditor from Butler Settineri to HLB Mann Judd as it had transitioned into production operations and HLB Mann Judd has particular expertise and experience with listed production companies. Butler Settineri gave notice of its intention to resign as Auditor to ASIC and ASIC consented to the resignation.

In accordance with section 327B(1)(b) of the Corporations Act, the Company seeks Shareholder approval under this Resolution to appoint HLB Mann Judd as its Auditor.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for HLB Mann Judd to be appointed as the Auditor, a copy of which is attached to this Notice as Attachment 1.

HLB Mann Judd has given its written consent to act as the Auditor in accordance with section 328A of the Corporations Act, subject to Shareholder approval of this Resolution. If approved, the appointment of HLB Mann Judd as the Auditor will take effect from the close of this Meeting.

6.2 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

7 Resolution 5 – Amendment to the Constitution

7.1 Overview

On 1 December 2019, ASX introduced a new two-tiered escrow regime in Listing Rule 15.12 under which:

- (a) ASX can require certain holders of restricted securities (e.g. related parties and promoters) and their controllers to execute a formal escrow agreement in the form of Appendix 9A (as was previously the case); and
- (b) for less significant holdings, ASX can instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities advising them of those restrictions.

Listing Rule 15.12 requires that, for so long as an entity has restricted securities on issue, its constitution must provide for the matters set out in section 7.2. Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

This Resolution is a special resolution and will allow the Company to modify its existing Constitution to comply with and enable the new Listing Rule 15.12. A copy of the updated Constitution is available for review by Shareholders at the Company's website at www.consolidatedzinc.com.au and at its registered office. A copy of the updated Constitution can also be sent to Shareholders upon request.

7.2 Proposed amendment

If this Resolution is approved, the Company will amend its Constitution with effect from the date of the Meeting by inserting a new article 13 as follows:

“13 Restricted securities

While the Company is on the official list of ASX, it must comply with the Listing Rules with respect to restricted securities. Despite the generality of the foregoing:

- (a) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
- (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity’s issuer sponsored sub register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (c) the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
- (d) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
- (e) if a holder of restricted securities breaches a restriction deed or a provision of the entity’s constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.”*

7.3 Directors’ recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

8 Resolution 6 – Prior issue of Shares under the First Placement

8.1 Overview

On 17 September 2019, the Company issued 90,909,091 Shares at an issue price of \$0.011 each to raise \$1,000,000 (before costs) (**First Placement**). Under this Resolution, the Company is seeking Shareholder approval to ratify the issue of Shares under the First Placement.

If this Resolution is passed, the issue under the First Placement will be excluded in calculating the Company’s 15% annual placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without prior Shareholder approval over the 12 month period following the issue date.

If this Resolution is not passed, the issue under the First Placement will be included in calculating the Company’s 15% annual placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without prior Shareholder approval over the 12 month period following the issue date.

8.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those

securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The First Placement Shares did not fit into any of the exceptions outlined in the Listing Rule 7.1. Consequently, the First Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

8.3 Listing Rule 7.4

Listing Rule 7.4 provides that where a Company in a general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

This resolution seeks Shareholder approval for the ratification of the issue of the Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing this resolution will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without obtaining prior Shareholder approval.

8.4 Information required by Listing Rule 7.5

The Company provides the following information for the purposes of Listing Rule 7.5:

- (a) The Shares were issued to Exempt Investors introduced by the joint lead managers to the First Placement, being Lazarus Corporate Finance (formerly Pinnacle Corporate Finance) and Gleneagle Securities. Lazarus Corporate Finance and Gleneagle Securities conferred with a number of their clients to identify suitable Exempt Investors to participate in the First Placement.
- (b) 90,909,091 Shares were issued under the First Placement.
- (c) The Shares were issued on 17 September 2019.
- (d) The Shares were issued at \$0.011 each.
- (e) The First Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the First Placement have been, or will be, used to fund operations at the Plomosas Mine, repay unsecured director loans, working capital and expenses related to the First Placement.
- (g) A voting exclusion statement is included in the Notice.

8.5 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

9 Resolutions 7 and 8 – Issues of Shares and New Options under the Second Placement

9.1 Overview

On 17 June 2020 the Company issued 190,000,000 Shares at an issue price of \$0.003 each to raise \$570,000 (before costs), and has agreed to issue one free attaching New Option for each Share issued (**Second Placement**). Accordingly, the terms of the Second Placement match those offered to Shareholders under the Entitlement Offer.

Under Resolution 7, the Company is seeking Shareholder approval to ratify the issue of Shares under the Second Placement.

If Resolution 7 is passed, the issue of Shares under the Second Placement will be excluded in calculating the Company's 15% annual placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without prior Shareholder approval over the 12 month period following the issue date.

If Resolution 7 is not passed, the issue of Shares under the Second Placement will be included in calculating the Company's 15% annual placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without prior Shareholder approval over the 12 month period following the issue date.

Under Resolution 8, the Company is seeking Shareholder approval to the issue of New Options under the Second Placement.

If Resolution 8 is passed, the issue of the New Options can proceed under the Second Placement.

If Resolution 8 is not passed, the issue of the New Options will not proceed under the Second Placement, and no recourse will be available to these investors against the Company or Lazarus Corporate Finance.

9.2 Listing Rule 7.1

For information on Listing Rule 7.1, please refer to section 8.2.

9.3 Listing Rule 7.4

For information on Listing Rule 7.4, please refer to section 8.3.

9.4 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the Company provides the following information relating to the Shares issued under the Second Placement:

- (a) The Shares were issued to Exempt Investors introduced by the lead manager to the Second Placement, being Lazarus Corporate Finance. Lazarus Corporate Finance conferred with a number of their clients to identify suitable Exempt Investors to participate in the issue of Shares under the Second Placement.
- (b) 190,000,000 Shares were issued under the Second Placement.
- (c) The Shares were issued on 17 June 2020.
- (d) The Shares were issued at \$0.003 each.
- (e) The Second are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the Second Placement will be used to fund the acquisition of new equipment at the Plomosas Mine, working capital and expenses related to the Second Placement.
- (g) A voting exclusion statement is included in the Notice.

9.5 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the Company provides the following information relating to the New Options to be issued under the Second Placement:

- (a) The New Options will be issued to Exempt Investors introduced by the lead manager to the Second Placement, being Lazarus Corporate Finance. Lazarus Corporate Finance conferred with a number of their clients to identify suitable Exempt Investors to participate in the issue of New Options under the Second Placement.

- (b) 190,000,000 New Options will be issued under the Second Placement.
- (c) The New Options will be issued on the terms set out in Schedule 1.
- (d) The New Options will be issued on or about the date of the Meeting and, in any case, within 3 months of the Meeting.
- (e) The New Options will be issued for nil cash consideration as they are being issued free attaching to Shares issued under the Second Placement on a one for one basis.
- (f) The purpose for the issue of the New Options was to incentivise the Exempt Investors to participate in the Second Placement. No funds will be raised from the issue of the New Options.
- (g) A voting exclusion statement is included in the Notice.

9.6 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 7 and 8.

10 Resolution 9 – Issue of Shares under the New Convertible Notes

10.1 Overview

Under this Resolution, the Company is seeking Shareholder approval for the purposes of Listing Rule 10.11 to issue 4 New Convertible Notes to the Copulos Group (or its nominees) as well as any Shares on their conversion at an effective price of \$0.003 per Share.

The Copulos Group and its member entities are controlled by Stephen Copulos, who is the major Shareholder and a related party of the Company.

10.2 Existing Debt

During 2018, the Company entered into convertible note agreements with the Copulos Group, under which the Copulos Group advanced \$500,000 in aggregate to the Company and the Company issued convertible notes to the Copulos Group as follows (**Relevant Notes**):

Relevant Note	Relevant member of Copulos Group	Announced to ASX	Amount advanced	Interest rate	Conversion price per Share ¹	Repayments made	Maturity date	Outstanding balance
RN1 ²	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	29 June 2018	\$300,000	10% per annum	\$0.01	\$224,258 ³	30 June 2020	\$91,388 ⁴

¹ At the Copulos Group's election at least 10 business days before maturity.

² Approved by Shareholders on 11 December 2018 and 23 May 2019.

³ Repayment made by the issue of 22,425,800 Shares upon conversion by the Copulos Group, as announced to ASX on 26 February 2020.

⁴ Comprising \$75,742 in principal and \$15,646 in interest as at 30 June 2020.

RN2⁵	Eyeon No 2 Pty Ltd ACN 147 903 446	3 August 2018	\$200,000	10% per annum	\$0.01	Nil	30 June 2020	\$238,411 ⁶
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Further, in December 2018 and June 2019, the Company entered into loan agreements with the Copulos Group, under which the Copulos Group advanced \$700,000 in aggregate to the Company in unsecured debt as follows (**Relevant Loans**):

Relevant Loan	Relevant member of Copulos Group	Announced to ASX	Amount advanced	Interest rate	Conversion price per Share	Repayments made	Maturity date	Outstanding balance
RL1	Eyeon No 2 Pty Ltd ACN 147 903 446>	27 December 2018	\$400,000	10% per annum	N/A	Nil	30 June 2021	\$465,935 ⁷
RL2	Eyeon Investments Pty Ltd ACN 096 482 781	18 July 2019	\$300,000	10% per annum	N/A	Nil	30 June 2021	\$332,092 ⁸

The Relevant Notes are no longer convertible into Shares as the time for conversion by the Copulos Group has expired. Instead, the Relevant Notes are now simply debt instruments, under which the Company owes \$329,799 to the Copulos Group as at 30 June 2020, which was and remains due and payable since the maturity date of 30 June 2020.

Unlike the Relevant Notes, the Relevant Loans were never convertible into Shares. Therefore, they remain debt instruments, under which the Company owes \$798,027 to the Copulos Group as at 30 June 2020, which is repayable on the maturity date of 30 June 2021.

Accordingly, the combined debt owing by the Company to the Copulos Group under the Relevant Notes and the Relevant Loans as at 30 June 2020 is \$1,127,826, of which:

- \$329,799 is already due and repayable in cash; and
- \$798,027 will be due and repayable in cash on 30 June 2021,

(**Existing Debt**). The terms of the Relevant Notes and the Relevant Loans do not provide for any alternative way of repaying the Existing Debt, other than in cash by the relevant maturity date.

10.3 New Convertible Notes

As announced to ASX on or about the date of this Notice, the Company has entered into a new convertible note agreement with the Copulos Group under which, subject to Shareholders approving this Resolution, the Existing Debt will effectively be replaced by 4 new convertible notes as follows (**New Convertible Notes**):

⁵ Approved by Shareholders on 11 December 2018 and 23 May 2019.

⁶ Comprising \$200,000 in principal and \$38,411 in interest as at 30 June 2020.

⁷ Comprising \$400,000 in principal and \$65,935 in interest as at 30 June 2020.

⁸ Comprising \$300,000 in principal and \$32,092 in interest as at 30 June 2020.

New Convertible Note	Relevant member of Copulos Group	Announced to ASX	Amount advanced	Interest rate ⁹	Conversion price per Share ¹⁰	Repayments made	Maturity date	Outstanding balance
NCN1¹¹	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	On or about the date of this Notice	Nil (deemed to be \$91,388)	10% per annum	\$0.003	Nil	30 June 2022	\$91,388
NCN2¹²	Eyeon No 2 Pty Ltd ACN 147 903 446	On or about the date of this Notice	Nil (deemed to be \$238,411)	10% per annum	\$0.003	Nil	30 June 2022	\$238,411
NCN3¹³	Eyeon No 2 Pty Ltd ACN 147 903 446	On or about the date of this Notice	Nil (deemed to be \$465,935)	10% per annum	\$0.003	Nil	30 June 2022	\$465,935
NCN4¹⁴	Eyeon Investments Pty Ltd ACN 096 482 781	On or about the date of this Notice	Nil (deemed to be \$332,092)	10% per annum	\$0.003	Nil	30 June 2022	\$332,092

Therefore, if Shareholders approve this Resolution, the issue of the New Convertible Notes will effectively mean that repayment of the Existing Debt:

- will be deferred until 30 June 2022; and
- if elected by the Copulos Group, may be repaid in Shares (rather than cash) at an effective issue price of \$0.003 per Share.

The key similarities and differences between the Existing Debt and the New Convertible Notes are set out below.

Existing Debt / New Convertible Note	Relevant member of Copulos Group	Amount to be advanced	Interest rate ¹⁵	Conversion price per Share ¹⁶	Maturity date	Security	Outstanding balance
RN1	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	Nil (\$300,000 already advanced in 2018)	10% per annum	N/A (expired)	30 June 2020	Nil	\$91,388

⁹ Interest accrues on the outstanding balance with effect from 1 July 2020.

¹⁰ At the Copulos Group's election before maturity, subject to any applicable shareholder approvals and takeover laws.

¹¹ Effectively replaces RN1.

¹² Effectively replaces RN2.

¹³ Effectively replaces RL1.

¹⁴ Effectively replaces RL2.

¹⁵ Interest accrues on the outstanding balance with effect from 1 July 2020.

¹⁶ For New Convertible Notes, At the Copulos Group's election before maturity, subject to any applicable shareholder approvals and takeover laws.

NCN1	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	Nil	10% per annum	\$0.003	30 June 2022	Nil	\$91,388
Net change	No change	No change	No change	Debt now convertible into Shares (see section 10.4)	2 extra years to repay (see section 10.3)	No change	No change
RN2	Eyeon No 2 Pty Ltd ACN 147 903 446	Nil (\$200,000 already advanced in 2018)	10% per annum	N/A (expired)	30 June 2020	Nil	\$238,411
NCN2	Eyeon No 2 Pty Ltd ACN 147 903 446	Nil	10% per annum	\$0.003	30 June 2022	Nil	\$238,411
Net change	No change	No change	No change	Debt now convertible into Shares (see section 10.4)	2 extra years to repay (see section 10.3)	No change	No change
RL1	Eyeon No 2 Pty Ltd ACN 147 903 446>	Nil (\$400,000 already advanced in 2018)	10% per annum	N/A	30 June 2021	Nil	\$465,935
NCN3	Eyeon No 2 Pty Ltd ACN 147 903 446>	Nil	10% per annum	\$0.003	30 June 2021	Nil	\$465,935
Net change	No change	No change	No change	Debt now convertible into Shares (see section 10.4)	1 extra year to repay (see section 10.3)	No change	No change
RN5	Eyeon Investments Pty Ltd ACN 096 482 781	Nil (\$300,000 already advanced in 2019)	10% per annum	N/A	30 June 2021	Nil	\$180,772
NCN4	Eyeon Investments Pty Ltd ACN 096 482 781	Nil	10% per annum	\$0.003	30 June 2022	Nil	\$180,772
Net change	No change	No change	No change	Debt now convertible into Shares (see section 10.4)	1 extra year to repay (see section 10.3)	No change	No change
Aggregate net change	No change	No change	No change	Debt now convertible into Shares (see section 10.4)	1 to 2 extra years to repay (see section 10.3)	No change	No change

10.4 Dilution and voting power

Worked examples of the potential impact of the New Convertible Notes on dilution to Shareholders and the voting power of the Copulos Group (which is 30.01% at the date of this Notice) is set out below.

Conversion date	Outstanding principal plus interest	Shares issued on conversion	Dilution impact	Voting power increase	New voting power
31 December 2020	\$1,184,217	394,739,000	15.8%	9.6%	39.6%
30 June 2021	\$1,240,609	413,536,333	16.6%	10%	40%
31 December 2021	\$1,297,000	432,333,333	17.4%	10.4%	40.4%
30 June 2022	\$1,353,391	451,130,333	18.1%	10.7%	40.7%

Notes:

1. The table assumes that there are 2,491,244,944 Shares on issue, being the number of Shares on issue at the date of this Notice. If Shares are issued to persons other than the Copulos Group in the future then the impact of the New Convertible Notes on dilution and voting power will be reduced accordingly.
2. At the date of this Notice, the Copulos Group has a relevant interest in 747,694,348 Shares for a voting power in the Company of 30.01%. If Shares are issued to the Copulos Group in the future for reasons other than the New Convertible Notes (e.g. the exercise of Options) then its new voting power following conversion of the New Convertible Notes may be higher than the figures in the table.
3. The table assumes full conversion of the total outstanding principal and interest under the New Convertible Notes as at the relevant conversion date. Please note that:
 - a. the Copulos Group may partially convert a New Convertible Note from time to time; and
 - b. conversion of a New Convertible Note is subject to any applicable shareholder approvals and takeover laws (e.g. shareholder approval under item 7 of section 611 of the Corporations Act, 3% creep exception under item 9 of section 611 of the Corporations Act, etc).
4. If the additional convertible note referred to in the 2nd bullet point of section 10.6 is converted by the Copulos Group before 14 August 2020 then, depending on the extent that it is converted and the date of conversion, the Company would be required to issue up to 12,176,933 Shares to the Copulos Group (being the highest possible principal plus interest for the note as at 13 August 2020 of \$182,654 converted at the conversion price of \$0.015 per Share). This would therefore further increase dilution to Shareholders and the voting power of the Copulos Group beyond what is described in the table above.

Therefore, if Shareholders approve this Resolution, it may cause a significant impact on their respective voting powers, depending on the extent that the Copulos Group converts the New Convertible Notes into Shares.

10.5 Section 208 of the Corporations Act

The Copulos Group is controlled by Stephen Copulos who was a Director before resigning on 31 December 2019. Further, the Copulos Group has a voting power of 30.01% in the Company, so it is considered to control the Company for the purposes of the Corporations Act.

Accordingly, the Copulos Group is a related party of the Company under section 228 of the Corporations Act. The Company is not seeking Shareholder approval for the purposes of section 208 of the Corporations Act as it considers that the New Convertible Notes are being issued on arm's length terms in accordance to section 210 of the Corporations Act.

10.6 Listing Rule 6.1

Listing Rule 6.1 requires that any convertible securities issued by a company are issued on terms that are considered appropriate and equitable. In determining whether the convertible securities are appropriate and equitable, the terms and conditions of the convertible securities must be fair to both new and existing shareholders of the company. If the convertible securities appear to be favourable

to the holder of the convertible securities, the company is required to explain the circumstances underpinning the issue of the convertible securities.

The Company provides the following information for the purposes of section 4 of ASX Compliance Update No 05/20:

- As set out in section 10.2, the Company has an immediate obligation to repay \$329,799 in cash to the Copulos Group under the Relevant Notes, which has been due and payable since 30 June 2020. Further, the Company will be required to repay \$798,027 in cash to the Copulos Group under the Relevant Loans by 30 June 2021.

As at 30 June 2020, the Company had cash reserves of approximately \$701,000, which it has earmarked for, among other things, important growth and operations initiatives as described in its Recent Prospectus and its announcement to ASX on 11 June 2020.

The Company has engaged with the Copulos Group to restructure the Existing Debt so that it can manage its financial obligations, while it continues to pursue opportunities that can create value for Shareholders.

The Company considers that the issue of the New Convertible Notes to replace the Existing Debt is an appropriate and commercial solution to managing its financial obligations to the Copulos Group and generally.

- The Company notes that the Copulos Group has an additional convertible note in the Company which is not the subject of this Resolution. This note had an outstanding balance of \$180,772 as at 30 June 2020, accrues interest at 10% per annum, is convertible by the Copulos Group into Shares before 14 August 2020 at \$0.015 per Shares, and matures on 27 August 2020.
- The Company has recently raised approximately \$2.3m via the Entitlement Offer and the Second Placement, which the Company required for growth, operations and ongoing working capital, and the Company does not consider that further funds from such sources will be readily available.
- The conversion price of the New Convertible Notes is \$0.003 per Share. The Company's recently completed Entitlement Offer and Second Placement offered Shares to Shareholders and new investors at an issue price of \$0.003 each, together with a free attaching New Option for each Share issued. The Company therefore considers that the terms of the New Convertible Notes are more favourable to the Company in this regard as the effective Share price is the same, however no New Options or other securities will be issued to the Copulos Group on any conversion of the New Convertible Notes.
- In negotiating the New Convertible Notes, the Company had regard to the importance of cash reserves to its current stage of growth and operations, particularly in light of the current COVID-19 pandemic and the uncertainty it continues to create in capital markets.

By effectively replacing the Existing Debt with the New Convertible Notes, the Company avoids the need to immediately raise further funds to repay \$329,799 to the Copulos Group under the Relevant Notes, which has been due and payable since 30 June 2020. If this Resolution is approved, repayment of that amount as well as the \$798,027 due on 30 June 2021 will be deferred until 30 June 2022. Further, the New Convertible Notes permit the debt to be paid in Shares at an effective price of \$0.003 each instead of cash, which may further preserve the Company's cash reserves. Importantly, however, this conversion can only be made by the Copulos Group.

- Given their proximity, the Company would likely need to offer investors at least the same terms as those offered under the Entitlement Offer and the Second Placement, being \$0.003 per Share plus a free attaching New Option. The Company also notes that its Share price has moved between \$0.002 and \$0.004 in the weeks leading up to this Notice.

In any case, any capital raising activities undertaken by the Company to repay the Existing Debt would have a dilutionary impact on Shareholders generally.

10.7 Listing Rule 10.11

(a) Parties under Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to:

- (i) a related party of the Company;
- (ii) a person who is, or was at any time in the six (6) months prior, a holder of more than 30% of the voting rights in the Company;
- (iii) a person who is, or was at any time in the six (6) months prior, a holder of more than 10% of the voting rights in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (iv) an associate of a person referred to at section 10.6(i) to (iii) above; or
- (v) a person whose relationship with the Company or a person referred to in section 10.6(i) to (iv) above is such that, in the ASX's opinion, such issue should be approved by the Shareholders,

unless an exception in Listing Rule 10.12 applies.

As discussed in section 10.5, the Copulos Group is considered to be a related party of the Company for the purposes of Listing Rule 10.11.1 and section 208 of the Corporations Act. In addition, the Copulos Group is a relevant person under Listing Rule 10.11.2 as it currently has a voting power in the Company of 30.01%.

As the issue of Shares pursuant to the New Convertible Notes does not fall under any of the exceptions in Listing Rule 10.12, Shareholder approval is required to approve the issue of Shares under the New Convertible Notes.

This resolution is an ordinary resolution which seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the New Convertible Notes and the ability of the Copulos Group to convert the New Convertible Notes into Shares. Approval pursuant to Listing Rule 7.1 is not required to issue the Shares as approval is being obtained under Listing Rule 10.11.

(b) Impact of passing Resolution 9

If Resolution 9 is passed, the Company may be able to proceed with an issue of Shares under the New Convertible Notes. Some of the potential impacts on the Company for approving this Resolution are set out below:

- (i) the Company may be able to repay the amount due under the New Convertible Notes to the Copulos Group in Shares, rather than in cash. This allows the Company to hold additional cash, which can be used for project expenses, exploration and other working capital purposes; and
- (ii) a Share issue from the New Convertible Notes will likely dilute the share capital of the Company and, therefore, reduce the voting power of other Shareholders.

(c) Impact of not passing Resolution 9

If Resolution 9 is not passed, the Company will not be able to proceed with an issue of Shares under the New Convertible Notes. Some of the potential impacts on the Company for not approving this Resolution are set out below:

- (i) the condition precedent under the New Convertible Notes will not be met (see section 10.8(b) below). This means the New Convertible Notes will not come into

force, which will mean the Existing Debt will remain payable in cash at their maturity dates, ranging from 30 June 2020 to 30 June 2021 (as applicable); and

- (ii) the Company being required to pay the Existing Debt in cash may:
- (A) hinder the cash position of the Company and result in a reduction in the available cash of the Company for project expenses, exploration and other working capital purposes;
 - (B) result in the Company needing to raise additional capital through the issue of Shares, diluting the current share capital in the Company and potentially reducing the voting power of Shareholders;
 - (C) cause the Company to have to restructure its debt, which may result in the Company being subject to finance terms that are less favourable than what are currently in place (if available at all).

10.8 Information required by Listing Rule 10.13

The Company provides the following information for the purposes of Listing Rule 10.13:

- (a) The persons to be issued the New Convertible Notes are as follows:

New Convertible Note	Relevant Member of Copulos Group	Outstanding principal and interested upon issue
NCN1	Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>	\$91,388
NCN2	Eyeon No 2 Pty Ltd ACN 147 903 446	\$238,411
NCN3	Eyeon No 2 Pty Ltd ACN 147 903 446	\$465,935
NCN4	Eyeon Investments Pty Ltd ACN 096 482 781	\$332,092
Total		\$1,127,826

Each is an entity controlled by Stephen Copulos and, therefore, a member of the Copulos Group.

The persons to be issued Shares on any conversion of a New Convertible Note will be the relevant member of the Copulos Group (and/or its nominees).

- (b) Shareholders of the Company must first approve the New Convertible Notes at this Meeting as a condition precedent to the New Convertible Notes coming into force.
- (c) As members of the Copulos Group, Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>, Eyeon No 2 Pty Ltd ACN 147 903 446 and Eyeon Investments Pty Ltd ACN 096 482 781 are related parties of the Company pursuant to Listing Rule 10.11.1 and section 208 of the Corporations Act, and is a relevant person under Listing Rule 11.1.2.
- (d) 4 New Convertible Notes will be issued, however the maximum number of Shares that may be issued under the New Convertible Notes is 451,130,333. See section 10.4 for examples of how many Shares may be issued.

- (e) The New Convertible Notes will be issued on or about the date of the Meeting and, in any case, within 1 month of the Meeting. The New Convertible Notes may be converted into Shares from time to time until their maturity on 30 June 2022.
- (f) The consideration to the Company for issuing the New Convertible Notes is the discharge of the Relevant Notes and the Relevant 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 \$0.003.
- (g) 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, in accordance with the following formula:

$$\mathbf{S = CN / CP}$$

- (i) **S** is the number of Shares to be issued.
- (ii) **CN** is the amount being converted.
- (iii) **CP** is \$0.003.
- (h) If the Copulos Group decides to redeem the New Convertible Notes for cash, the Company will have 3 months from the maturity date to pay the amount due.
- (i) 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.
- (j) The New Convertible Notes will accrue interest at 10% per annum with effect from 1 July 2020 and the Relevant Loans and the Relevant Notes will be discharged in their entirety from that date. The Copulos Group releases the Company with respect to any claim under the Relevant Loans or the Relevant Notes.
- (k) The New Convertible Notes contain warranty clauses and other terms that would be considered standard for an agreement of this nature.
- (l) The key terms of the New Convertible Notes are otherwise set out in section 10.3, which are documented in a convertible note agreement between the parties.
- (m) No funds will be raised from the issue of the New Convertible Notes.
- (n) A voting exclusion statement is included in the Notice.

10.9 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution for the reasons set out in this section 10.

Definitions

\$ means Australian dollars.

Additional 10% Placement Capacity has the meaning given in section 5.1.

Annual Report means the annual report for the Company (including the Directors' Report, the Financial Report and the Auditor's Report) in respect of the financial year ended 31 December 2019.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report on the Financial Report.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting.

Closely Related Party has the meaning given in the Corporations Act. It includes close family members and any controlled companies of a member of the Key Management Personnel.

Company means Consolidated Zinc Limited ACN 118 554 359.

Constitution means the constitution of the Company.

Copulos Group means Stephen Copulos and his controlled entities (including Citywest Corp Pty Ltd ACN 081 721 413 <ATF Copulos (Sunshine) Unit Trust>, Eyeon No 2 Pty Ltd ACN 147 903 446 and Eyeon Investments Pty Ltd ACN 096 482 781), or any one or more of them (as applicable).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the directors' report for the Company prepared under Chapter 2M of the Corporations Act in respect of the financial year ended 31 December 2019.

Entitlement Offer means the non-renounceable pro rata entitlement offer announced by the Company to ASX on 23 April 2020, under which eligible Shareholders were offered 1 Share for every 3 Shares held at an issue price of \$0.003 each to raise \$1,725,933, together with 1 free attaching New Option for every Share subscribed for and issued.

Equity Security has the meaning given in Listing Rule 19.12, and includes a Share, an Option, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Exempt Investor means a person to whom securities may be offered without disclosure under section 708 of the Corporations Act.

Existing Debt has the meaning given in section 10.2.

Explanatory Statement means this explanatory statement (including all section references, definitions, schedules, attachments and similar components within this document) accompanying the Notice.

Financial Report means the financial report for the Company prepared under Chapter 2M of the Corporations Act in respect of the financial year ended 31 December 2019.

Key Management Personnel has the meaning given in the accounting standards issued by the Australian Accounting Standards Board. It includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company or, if the Company is part of a consolidated entity, the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the official listing rules of ASX.

Meeting or **Annual General Meeting** means the annual general meeting convened by this Notice.

New Convertible Note means a convertible note issued by the Company on the terms described in sections 10.3 and 10.8.

New Option means an Option on the terms set out in Schedule 1.

Notice or **Notice of Annual General Meeting** means this document (including the Explanatory Statement and Proxy Form) or the notice of annual general meeting section of this document (as the context requires).

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Recent Prospectus means the prospectus dated 26 April 2020 issued by the Company in relation to the Entitlement Offer.

Relevant Loan has the meaning given in section 10.3.

Relevant Note has the meaning given in section 10.3.

Remuneration Report means the remuneration report set out in the Directors' Report.

Resolution means a resolution set out in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Schedule 1 – New Options

The terms and conditions of the New Options are:¹⁷

7.5.1 Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

7.5.2 Exercise Price

Subject to section 7.5.9, the amount payable upon exercise of each New Option will be \$0.006 (**Exercise Price**).

7.5.3 Expiry Date

Each New Option will expire at 5:00pm (AWST) on the date that is three years from the date of issue under the Offer (**Expiry Date**).¹⁸ A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

7.5.4 Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

7.5.5 Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

7.5.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

7.5.7 Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

¹⁷ These terms are extracted directly from section 7.5 of the Recent Prospectus. Capitalised terms have the meaning given in the Recent Prospectus.

¹⁸ As New Options were issued under the Recent Prospectus on 1 June 2020, the Expiry Date for all New Options is 1 June 2023.

If a notice delivered under 7.5.7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

7.5.8 Shares issued on exercise

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

7.5.9 Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

7.5.10 Participation in new issues

There are no participation rights or Entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising New Options.

7.5.11 Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

7.5.12 Transferability

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7.5.13 Quotation

The Company will seek to have the New Options quoted by ASX.

Attachment 1 – Nomination Letter

29 June 2020

The Company Secretary
Consolidated Zinc Limited
Level 13, 37 St Georges Terrace
Perth WA 6000

Dear Mr Italiano

Appointment of HLB Mann Judd as Auditor

For the purposes of section 328B(1) of the *Corporations Act 2001* (Cth), KASY Investments Pty Ltd, being a member of Consolidated Zinc Limited (**Company**), hereby nominates HLB Mann Judd as the auditor of the Company.

Yours sincerely



Steven Boda
Director
KASY Investments Pty Ltd

LODGE YOUR VOTE**ONLINE**www.linkmarketservices.com.au**BY MAIL**Consolidated Zinc Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia**BY FAX**

+61 2 9287 0309

**BY HAND**Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138**ALL ENQUIRIES TO**

Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (AWST) on Wednesday, 29 July 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using:

**ONLINE**www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code**HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM****YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Consolidated Zinc Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (AWST) on Friday, 31 July 2020 at Level 13, 37 St Georges Terrace, Perth, 6000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of New Convertible Notes and Shares to the Copulos Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Andrew Richards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of the Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Appointment of HLB Mann Judd as the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Amendment to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Prior issue of Shares under the First Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Prior issue of Shares under the Second Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of New Options under the Second Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

CZL PRX2001D

