



PLOMOSAS PLANT UPGRADE AND REFIT

SEPTEMBER 2020



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 Bradley Marwood BASc, FAusIMM,.

Mr Marwood 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 Marwood 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.



PLOMOSAS MINE, MEXICO





BENEFITS OF REFURBISHED PLOMOSAS PLANT

- Process plant on mine site enables:
 - Reduced maintenance and supervision costs
 - Direct control of supplies and services
 - Reduced transport and travel costs
- Flowsheet and recoveries optimised for the Plomosas ore
- Throughput matching with stockpile adjacent to plant from mine
- Plomosas has abundant water supply so no recycled water will be used.





PLOMOSAS PLANT - IMPROVED PERFORMANCE

- Better performance facilitated by management control:
 - Grind size optimised
 - Throughput matched to the wet plant
 - Plant availability expected to be better than 65%
 - Optimised power draw and reagent blending
- Reduced contamination using raw mine water not processed water
- Elected to install the larger mill immediately to minimise delays when the plant capacity is expanded to 6,000tpm
- The preconditioning and float circuit have been designed to enable sequential expansion of the plant from 3,000tpm to 6,000tpm

PLOMOSAS PLANT UPGRADE COSTS

	US\$
Plant and associated facilities	412,000
Site based Laboratory	23,000
EPCM	95,000
Tailings Dam Facility	395,000
Underground Pumping Facility	175,000
Power Generation and fuel	103,000
Mine Equipment	<u>152,000</u>
TOTAL COSTS	<u>1,355,000</u>



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
Sub Total	165,000	13.9	6.3	325.7	23,000	10,000	189,000
	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
Sub Total	799,000	13.0	3.0	17.5	104,000	24,000	450,000
	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
Total	964,000	13.25	3.5	20.6	127,000	34,000	639,000

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

Refer to ASX announcement dated 29 April 2020 for full details



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



