

## OPERATIONS UPDATE, STRENGTHENING PERFORMANCE

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- **Plomosas Processing Plant refurbishment commenced**
  - **Zinc and lead recoveries to concentrate best this year**
  - **Senior geologist engaged to commence gold exploration**
  - **COVID-19 testing and protocols increased with minimal impact on operations**
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Consolidated Zinc Limited (ASX: CZL or “the Company”) is pleased to announce that, despite a requirement to increase COVID-19 related precautions and protocols, several key milestones for the Company were achieved in the last week.

### **Plomosas Processing Plant Refurbishment**

Following the completion of the Entitlement Issue on 20 October 2020, the refurbishment of the Plomosas Processing Plant has begun with the main long-lead items being:

- A ball mill (200 tonnes per day (tpd) capacity) has been identified, inspected and purchased. The mill is currently being prepared for transport from near Tucson, Arizona, which is a 10-hour drive from Plomosas. Some delay may occur at the US/Mexico border, but these are not expected to impact the refurbishment schedule; and
- Flotation cells, suitable cells have been identified and inspections are planned prior to purchasing and transporting from California.

The Company has recruited an expatriate Senior Project Manager who is a qualified in metallurgy, specialising in floatation, with a background in project construction and development. The Senior Project Manager is supported by a highly skilled local Project Manager.

The Plomosas plant refurbishment is expected to take 90 days including commissioning which is expected to commence in January 2021.

### **Plomosas Mine Operations**

Contained metal production was provisionally 265 tonnes zinc and 98 tonnes lead in October, resulting in sales of approximately USD820,000. Recoveries were 72% zinc to zinc concentrate and 39% lead to lead concentrate, the best recoveries to concentrate this year. Final production numbers and sales amount are only available after refining and will be included in the December quarterly report.

Higher contained metal production in October was due to both improved head grades as ore mining moved from development to increased stoping production, and consistently higher recoveries of zinc and lead to concentrates.

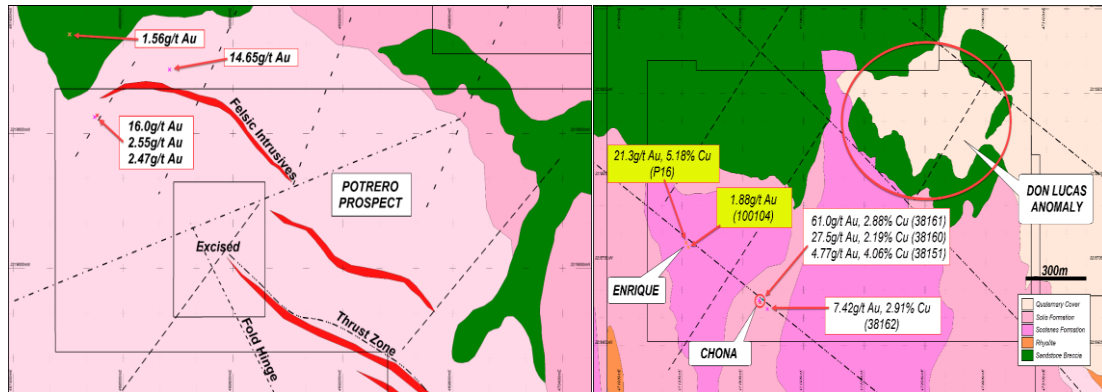
Operational performance continued the trend of improving recoveries since operations recommenced in June 2020 at the Plomosas mine and Aldama. The improved production figures have resulted in a reduction in operating costs per tonne for zinc and lead.

## Gold Exploration

An internationally experienced senior exploration geologist has been engaged to lead the Plomosas exploration team in developing a deeper understanding of the gold mineralisation present within the regional concessions. He will arrive in Mexico following the easing of COVID-19 travel restrictions with the field reconnaissance and drill target generation work commencing in early November.

The initial focus of the work will be at the La Chona-Enrique gold mineralisation trend and at the Potrero Prospect to the north west. For further details refer ASX Announcement 20 April 2020.

The Company will report results of the exploration programme as they become available.



**Figure 1:** shows the location of La Chona -Enrique trend and the Potrero Prospect.

## COVID-19

The incidence of COVID-19 in and around the city of Chihuahua has increased, resulting in the area being designated as a “red zone” by the Mexican government. All nonessential businesses are required to close however mining is considered an essential business.

The Company increased its testing of all employees and identified a number of employees who have, or have had, COVID-19. The current infections were among staff at the administrative office in Chihuahua and were generally asymptomatic with one exception who was admitted to hospital with complications due to pneumonia. That staff member received excellent care at the local private hospital and is now recovering at home. All office staff are isolating and working from home, and the office will remain closed for the foreseeable future.

The increased PCR and serological testing have not identified any active COVID-19 cases at Plomosas or Aldama. All infection risk mitigation protocols have been reviewed and strengthened where possible. The mine and Aldama plant remain in operation.

The increased testing and protocol changes occurred during October with minimal impact on operations.

This announcement has been authorised for release by the CZL Board.

For further information please contact:

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## ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 100% of the historic Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico. Chihuahua State has a strong mining sector with other large base and precious metal projects in operation within the state. Historical mining at Plomosas between 1945 and 1974 extracted over 2 million tonnes of ore grading 22% Zn+Pb and over 80g/t Ag. Only small-scale mining continued to the present day and the mineralised zones remain open at depth and along strike.

The company has commenced mining at Plomosas and is committed to exploit the potential of the high-grade Zinc, Lead and Silver Mineral Resource through the identification, exploration and exploitation of new zones of mineralisation within and adjacent to the known mineralisation with a view to identify new mineral resources that are exploitable.

### **Caution Regarding Forward Looking Statements and Forward-Looking 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.*