

10 March 2021

PLOMOSAS PLANT COMMISSIONING COMMENCED

Key Information:

- **Plomosas crushing circuit commissioning commenced in late February 2021**
- **Mill and wet end of plant commissioning to commence mid-March**
- **Poor weather has impacted completion of the tailings dam, night shift commenced**
- **Processing at Aldama to continue in conjunction with Plomosas plant, to increase revenues and reduce stockpiles**
- **Specialized haul truck purchased to reduce stockpiles and access very high-grade stope (Zinc equivalent grade exceeding 25% Zinc)**

Consolidated Zinc Limited ("**Company**") (ASX:CZL) is pleased to advise crushing circuit commissioning has commenced at its wholly owned Plomosas Plant. The mill and wet end of the plant will be commissioned from 13 March 2021 and, as CZL has over two years' experience in optimising processing of Plomosas plant feeds, a short commissioning period is expected.

The extreme cold weather which severely impacted Texas in February also directly and indirectly impacted Chihuahua State, northern Mexico and operations at the Plomosas mine. An estimated 14 days of progress on the tailings dam construction were lost due to road closures, supply issues and extreme cold. Lights have been installed so that the earthworks and plastic liner laying can proceed around the clock to meet the March deadline for completion.

An independent expert is scheduled to inspect the mill installation on 13 March 2021, following which 22 tonnes of ball will be installed, and the mill commissioned through the third week of March. The fine ore bin is filled with barite ore. This ore will be used to commission the mill. The preconditioning tanks, flotation circuit will be sequentially commissioned in the second half of March.

The Aldama plant continued to operate in January and February 2021 at similar rates to the Q4, 2020. The Company proposes to run both Aldama and Plomosas plants in Q2 2021 to reduce stockpiles and increase revenue while allowing time for orderly commissioning for the Plomosas plant.

A new specialised haul truck has been purchased for Plomosas to increase ore haulage rates and, once the underground stockpiles are at the surface, the special purpose haul truck will be used to exploit the high-grade sulphide ore located at the Level 7 Carola South stope with Zinc equivalent grade exceeding 25% Zinc.



Brad Marwood, Managing Director of CZL advised *"We are very pleased with the progress made to date commissioning the Plomosas plant. Our modelling indicates a bright future for CZL at Plomosas and the increased cashflow from running the Plomosas and Aldama plants during Q2 2021 should allow CZL to accelerate the expansion of the Plomosas plant to 200 tonnes per day during 2021. The size of operations in production matters, as does direct control of the processes, and the steps taken in the last few months strengthen our business model."*

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

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. 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 recommenced 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.