

18 May 2021

PLOMOSAS PLANT FIRST OPERATIONS UPDATE

Key Information:

- **Plomosas plant running at or better than designed operating capacity**
- **Currently processing at 200tpd (6,000tpm) using Plomosas and Aldama plants to reduce stockpiles of ore and build working capital**
- **Expansion of Plomosas plant from 100tpd to 200tpd expected to be completed Q4,2021**

Consolidated Zinc Limited ("Company") (ASX: CZL) is pleased to advise that on the 30 April 2021 the Plomosas plant had its first continuous run of longer than 24 hours processing at designed production capacity. Following the successful commissioning of the Plomosas plant it has been performing above expectations during these early days of operating.

Brad Marwood, Managing Director of CZL advised *"The Plomosas plant will run at design capacity of 100tpd for a few weeks and then we will stretch test the capacity of the float circuit towards 150tpd. The combined daily throughput of the Plomosas and Aldama plants exceeds 200tpd, at this production rate we will reduce our stockpiles of ore and significantly improve our working capital position this quarter."*

The Plomosas plant commenced operating mid-April with daily production runs impacted by normal commissioning issues. The plant was designed to operate at 100tpd initially with easy expansion to 200tpd through increased float capacity. Crushing and milling capacity exceed 250tpd and, now that the float circuit has been operating consistently at 100tpd, higher throughputs will be systematically tested until recoveries start to reduce. The results will define the additional flotation capacity required to operate at 200tpd.

Combined, the Plomosas and Aldama plants have delivered between 156tpd to 302tpd, with the lower production days due to the minor modifications being undertaken with the Plomosas Plant. This early delivery of overperformance of the plants will now be tested over a longer duration to confirm the positive findings. The company currently expects the upgrade to 200tpd to be completed during Q4, 2021.

Processing of Plomosas ore to produce concentrates has continued at the Aldama plant, and will continue, until the run-of-mine inventory levels are normalised. The current stockpiles of ore exceed 3,000 tonnes, the plan is to reduce the stockpiles to normal working levels by the end Q2, 2021.



Plomosas Plant



Plomosas Zinc Concentrate



Plomosas Lead Concentrate

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 started mining at Plomosas in 2018 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 at our Plomosas based processing facility.

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.