

16 May 2022

BINDING SHARE PURCHASE AGREEMENT EXECUTED TO ACQUIRE WESTOZ LITHIUM

Key Information:

- **Westoz Lithium Acquisition**

- Formal binding share purchase agreement executed to acquire Westoz Lithium Pty Ltd (**Westoz Lithium**) for A\$740,000 in cash and shares.
- Westoz Lithium owns approximately 1,400km² of exploration license applications in the Pilbara and Gascoyne regions in Western Australia, considered highly prospective for lithium, located near two of the world's largest hard rock lithium deposits, as well as rare earth elements and base metals.
- Data indicating potential for mineralised pegmatite outcrops in swarms across all tenements.

Consolidated Zinc Limited (**Company** or **CZL**) (ASX:CZL) is pleased to advise that further to its announcement on 30 March 2022, it has entered into a formal binding share purchase agreement (**Acquisition Agreement**) to acquire all of the shares held in Westoz Lithium (**Acquisition**). Westoz Lithium holds large exploration projects (**Acquisition Projects**) that are considered prospective for lithium, rare earth elements and base metals, all located in Western Australia.

The Acquisition is an exciting opportunity for the Company to diversify further into the battery minerals sector.

WESTOZ LITHIUM ACQUISITION

Westoz Lithium holds interests in the Acquisition Projects, which comprises approximately 1,400km² of exploration license applications in the Pilbara and Gascoyne regions of Western Australia. The Pilbara Projects are highly prospective for lithium, rare earth elements and base metals and are situated near two of the world's largest hard rock lithium deposits at Pilgangoora and Wodgina as well as the MBLP near Marble Bar.

ACQUISITION TERMS

The Company, Westoz Lithium and the current shareholders of Westoz Lithium, Paul Watts and Arnel Mendoza (**Vendors**) have executed the Acquisition Agreement to acquire 100% of the issued capital of Westoz Lithium from the Vendors. The Vendors are unrelated third parties of the Company.

In aggregate, the Vendors will receive A\$740,000 for the Acquisition. On completion of the Acquisition Agreement (**Completion**), and subject to the Company receiving shareholder approval at its upcoming annual general meeting on 31 May 2022, the Vendors will be issued a total of 24,000,000 Shares, with an issue price of \$0.025 per Share and aggregate value of A\$600,000. Furthermore, within 5 Business Days of Completion, in order to clear outstanding shareholder loans owed by Westoz Lithium to the Vendors (**Shareholder Loans**), the Company will pay the sum of A\$90,000 to Paul Watts and A\$50,000 to Arnel Mendoza. Westoz Lithium and the Company will be released from any liability or claims in relation to the Shareholder Loans once the abovementioned payments are made to Paul Watts and Arnel Mendoza by the Company.

Completion of the Acquisition Agreement is subject to the following conditions (**Conditions**):

- (**Due Diligence**): The Company notifying the Vendors that the Company has satisfactorily completed due diligence on Westoz Lithium and the Acquisition Projects, including technical, financial and legal due diligence; and
- (**Approvals**): the Company obtaining any shareholder, regulatory and stock exchange approvals required under the ASX Listing Rules and the Corporations Act (as applicable), in relation to the Acquisition, including in relation to any debt or equity fundraising activities.

The other terms of the Acquisition Agreement, including in relation to pre-Completion activities, warranties, indemnities, confidentiality and termination are considered customary for an agreement of this nature.

Although the Acquisition Agreement has been executed, there is no guarantee that the Conditions will be satisfied. If the Conditions are satisfied, it is expected that Completion will occur in the second quarter 2022.

DETAILS OF WESTOZ LITHIUM ACQUISITION

The Company has executed the Acquisition Agreement to acquire 100% of the issued capital in Westoz Lithium, the holder of the Acquisition Projects, which includes approximately 1,000 km² of highly prospective exploration license applications (ELAs) in the Pilbara region of northern Western Australia and approximately 400 km² base metal prospect in the Gascoyne Region of Western Australia (**Wandagee**).

The Pilbara ELAs are considered highly prospective for lithium and are located, adjacent and near two of the world's largest hard rock lithium deposits namely Pilgangoora operated by Pilbara Minerals Ltd (ASX:PLS) and Wodgina operated by Mineral Resource Ltd (ASX: MIN). Global Lithium Resources Ltd (ASX:GL1) Marble Bar Lithium Project (MBLP) containing the Archer deposit is also located to the immediate north of the eastern ELA's.

South Wodgina

The South Wodgina ELAs (E45/5973 and E45/5974) are located approximately 150km south of Port Hedland, adjacent to Wodgina Li-Ta operation.

Pilgangoora and Wodgina are located near the south-western boundary of the East Pilbara Terrane of the Pilbara Craton. The western flank of the East Pilbara Terrane forms part of a globally significant pegmatite province extending over 120 km by 30km containing widespread rare and critical metal mineralisation.

The South Wodgina ELAs lie along the south-west extension of the Lithium/Tantalum deposits of the Wodgina operation. The area is characterised by swarms of pegmatite intrusions which contain Lithium-Caesium-Tantalum as well as some rare earth elements (REE) known as LCT-type pegmatites.

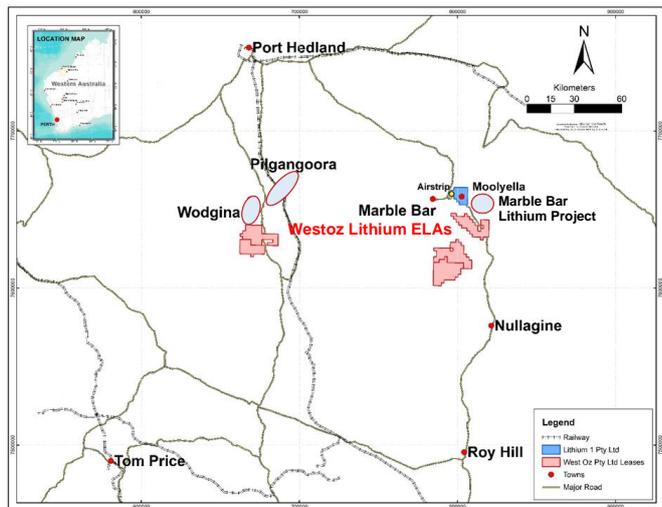


Figure 1: Regional Location

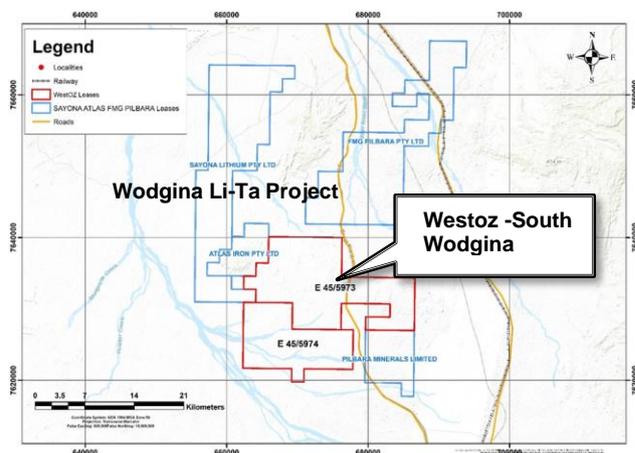


Figure 2: Location of the South Wodgina tenements

Marble Bar

The Marble Bar ELA's (E45/5972, E45/5987 and E45/5986) are located approximately 80km south of Marble Bar, close to Global Lithium's MNLB Project. They lie along the sealed highway and approximately 280km south-east of Port Hedland.

The Moolyella tin and tantalum deposits also lie directly north and have been historically mined over 100 years. The Numbana Monzogranite complexes that outcrop in the district are known to host lithium-bearing pegmatites which have been largely unexplored due to the past focus on base metal and gold exploration. The Anthill, Camel Creek, and Fig Tree ELAs of the Westoz acquisition lie within a corridor of known lithium and REE mineralisation. The 670 km² holding has been under explored for LCT pegmatite type deposits and thus the Company considers it prospective for new discoveries.

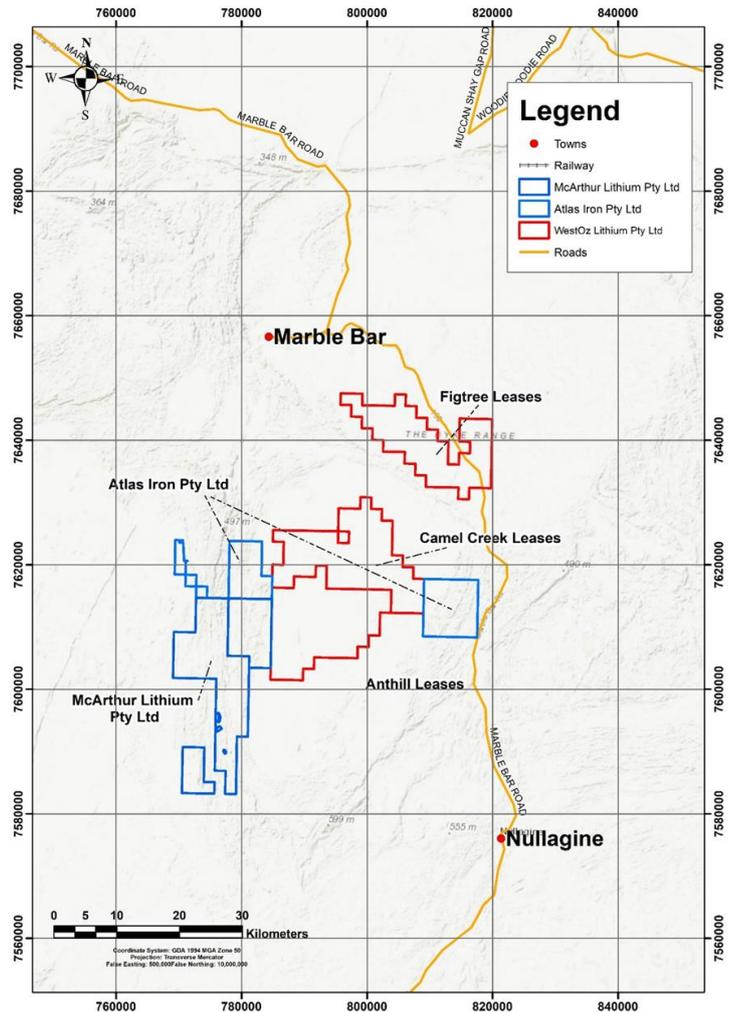


Figure 3: Location of the Marble Bar tenements

Wandagee

The Wandagee Project is located approximately 150km northeast of Carnarvon and 45km east of the Minilya Bridge Roadhouse, in the Gascoyne Region of Western Australia. The Wandagee Project consists of one ELA (E09/2499) covering an area of ~400km². The ELA is prospective for Zinc-Lead-Silver/Copper-Lead-Silver base metals and has limited exploration undertaken in the past.

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.

Westoz Lithium Competent Person Statement:

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Mr Brad Marwood. Mr Marwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists

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 announcement of the matters based on their information in the form and context in which it appears.

Schedule 1 – Westoz Lithium Tenements

Tenement ID	Name	Westoz Lithium Ownership	Size	Status
ELA09/2499	Wandagee	100%	129 blocks	Application
ELA45/5972	Fig Tree	100%	56 blocks	Application
ELA45/5973	South Wodgina	100%	60 blocks	Application
ELA45/5974	South Wodgina	100%	36 blocks	Application
ELA45/5986	Ant Hill	100%	70 blocks	Application
ELA45/5987	Camel Creek	100%	70 blocks	Application

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data – Westoz Lithium

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • No drilling results are reported.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • No drilling results are reported.
<i>Logging</i>	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • No drilling results are reported.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • No sampling is reported.
<i>Orientation of data in relation to</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> • No sampling is reported.

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No sampling is reported.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No sampling is reported.

Section 2 Reporting of Exploration Results – Westoz Lithium

(Criteria in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The tenement application details of the ELAs are included in this announcement. Westoz Lithium Pty Ltd is the registered applicant. None of the applications have yet been granted.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The report's authors have had regard to the publicly available information on file with the Geological Survey of Western Australia including GSWA Report 143; GSWA Report 181; GSWA Geochemistry Report 181. A full review of historical exploration data has not yet been completed.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Relevant information regarding the geological setting of the tenements are set out in the report.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drill hole information is reported.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated 	<ul style="list-style-type: none"> No drill hole information is reported.

Criteria	JORC Code explanation	Commentary
	<p>and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No drill hole information is reported.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Maps are included in the announcement.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> No exploration results are reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Assessment of further exploration data has not yet been undertaken. No other material and meaningful exploration data information is presently available.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The Company will conduct a review of historical exploration data and other project information during the due diligence period. Further work will be planned following the due diligence review.