

4 April 2023

COMPLETION OF THE PLOMOSAS PROJECT SALE

Key Information:

- The sale of the Plomosas Project to Impact Silver Corp, an experienced operator of Mexican mining projects similar to the Plomosas Project has completed.
- An initial cash payment of US\$2.271 million has been received.
- The balance of US\$3.0 million cash price less working capital will be received in 40 business days.
- 11,441,647 Impact Silver shares, total value US\$3.0 million will be issued to CZL.
- The Company retains an interest in the Plomosas Project through the Impact Silver shares and a 12% net profit interest royalty.
- Cash from the sale will fund the Company's planned exploration program its lithium and rare earth metals Pilbara and Gascoyne Projects.

Consolidated Zinc Limited (**Company**) (ASX:CZL) is pleased to announce that the sale of the 100% legal and beneficial interest in Minera Latin American Zinc S.A.P.I de C.V. (**MLAZ**), a subsidiary of the Company that owns the Plomosas Project, to Impact Silver Corp. (**Impact Silver**), a TSX Venture Exchange (**TSX-V**) and FSE listed company domiciled in British Columbia, Canada (**Transaction**) completed on 3 April 2023.

The Transaction completed pursuant to a share sale agreement (**Sale Agreement**), the material terms of which were announced on 10 February 2023. The consideration for the Transaction was US\$6.0M consisting of US\$3.0M cash, less a working capital deduction, and US\$3.0M in Impact Silver shares plus a 12% net profit interest royalty (**NPI**) on production at the Plomosas Project.

The Company has received US\$2.271 million in cash and will receive 11,441,647 Impact Silver shares. Further cash consideration will be received within 40 business days. The payment is subject to an anticipated US\$0.73 million working capital deduction calculated once the completion accounts have been finalised.

The receipt of cash under the Sale Agreement means that the Company can accelerate its exploration activities at the Pilbara and Gascoyne Projects in Western Australia, whilst retaining a surplus cash balance to actively seek and pursue complimentary investment and acquisition opportunities.

Brad Marwood, Executive Chairman of the Company advised:

"This transaction enables the Company and its shareholders to benefit from a continued interest in the Plomosas Project, while providing cash to fund planned exploration for lithium and rare earth metals at its Pilbara and Gascoyne Projects.

Impact Silver have over 17 years of underground operating experience in Mexico with access to established managerial and operations resources in country, and plan to improve and expand the Plomosas Project.

From the start of negotiations to transaction completion, Impact Silver have demonstrated the professionalism and experience, and we thank the Impact Silver team for their efforts."

Escrow will be applied to 75% of the Share Amount, escrow will be released in 3 equal tranches of 25% every 6 months over the next 18 months (or as otherwise required by TSX-V) from issue date. The other 25% of the Share amount will be received by the Company and will be subject to a statutory 4 months and 1 day hold period.

Approx. US\$726,423¹ of the NPI will be escrowed pending the outcome of the legal action brought by a former contractor's employees, which the Company has been advised is highly unlikely to succeed.

Jett Capital Advisors, LLC (**Jett Capital**) acted as exclusive financial advisor to the Company for the Transaction and will be paid a success fee of 6% of the cash consideration and the Share Amount. In addition, Jett Capital will also be paid a success fee of 6% of future NPI received by the Company.

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

For further information please contact:

Brad Marwood
Executive Chairman
08 9322 3406

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX: CZL) owns 100% interests in the Pilbara Lithium and Wandagee Projects, which comprise approximately 1,400km² in 6 granted exploration licences located in the Pilbara and Gascoyne regions of Western Australia. The Pilbara Projects are highly prospective for lithium and situated near two of the world's largest hard rock lithium deposits/mines (ASX: PLS – Pilgangoora & ASX: MIN – Wodgina) and other deposits and occurrences near Marble Bar (ASX: GL1's Archer Project).

Until 3 April 2023 CZL owned and operated the Plomosas Mine in Mexico. On that date the Mine was sold to Impact Silver (TSX-V: IPT). The Company retains an interest in that Project through a 12% net profit interest royalty and shares in Impact Silver which were part of the purchase consideration.

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, lead, silver and lithium, 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), the Company 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.

¹ The claim is denominated in Mexican Peso's which has been translated using an exchange rate of 1 USD equal to \$18.01 Mexican Peso's.