

Drilling continues to deliver high grades up to 34% Zn

- **Drilling at Plomosas continues to encounter and expand sulphide mineralisation horizons at Tres Amigos and Level 7 Deeps.**
- **Assay results from 10 drillholes were received which included intercepts in excess of 50% combined Zinc plus Lead**

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|----------|--|
| LV7DD003 | 2.90m @ 34.52% Zn, 14.95% Pb, 90.0 g/t Ag |
| and | 0.95m @ 29.10% Zn, 11.50% Pb, 61.3 g/t Ag |
| LV7DD005 | 1.80m @ 33.37% Zn, 20.10% Pb, 100.8 g/t Ag |
- **Samples from previously announced LV7DD002 were re-assayed using concentrate grade methods due to the high contained zinc and returned:**

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|----------|---|
| LV7DD002 | 6.75m @ 30.13% Zn, 12.67% Pb, 94.2 g/t Ag |
|----------|---|
- **Assay results are awaited for a further 11 drillholes**

Consolidated Zinc is pleased to announce continued success with drilling from both surface and underground at the Plomosas mine with several new intercepts achieving up to and above 50% combined zinc and lead. Known sulphide horizons have been confirmed and expanded at both the Tres Amigos zone around Level 5 and the semi oxide and massive sulphide mineralisation at depth immediately below the current workings on Level 7 (Figures 1, 2). Details of intercept grades and thicknesses are provided below.

Since our last update to the market on 2 February 2016, results from 11 drillholes have been received while assays for a further 11 intercepts are awaited. A total of 3,100 metres have now been drilled from surface and underground in 27 holes targeting the Tres Amigos mineralisation around Level 5 and the mineralisation at depth below Level 7.

Latest Results

Notably, more than 90% of all holes have intersected the sulphide mineralised horizons where forecast although on several occasions these intercepts were in pinched out areas of the horizon resulting in narrow zone or low grades (NSI). Nevertheless, several holes returned highly significant intercepts including previously unannounced results for:

Level 7 Deeps Drilling

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|----------|--|
| LV7DD003 | 2.90m @ 34.52% Zn, 14.95% Pb, 90.0 g/t Ag from 50.20 mdh 0.95m @ 29.10% Zn, 11.50% Pb, 61.3 g/t Ag from 56.90 mdh |
| LV7DD005 | 1.80m @ 33.37% Zn, 20.10% Pb, 100.8 g/t Ag from 58.25 mdh |
| LV7DD007 | 2.65m @ 18.42% Zn, 10.12% Pb, 60.8 g/t Ag from 71.60 mdh |

Tres Amigos Drilling (Level 5)

| | |
|----------|---|
| TRSRD004 | 1.10m @ 5.02% Zn, 28.71% Pb, 76.1 g/t Ag from 134.2 mdh |
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Of these holes several encountered core recovery issues, despite the use of triple tube by the diamond core rig, due to drill cavitation and circulating drill fluids washing away high grade, friable material in the breccia units. Core recovery for holes LV7DD003, L7DD005 and LV7DD07 was between 47% and 86% for reasons discussed previously in CZL's announcement of 2 February, 2016.

Re-assay of very high grade intercept

Drillhole LV7DD002 was previously reported on 2 February, 2016 but had to be re-assayed using concentrate grade procedures due to the high grades involved. It was reported to be:

6.75m at 27.2% Zn, 12.7% Pb, 60.5 g/t Ag from 45.25 mdh
which should be revised upon re-assay to:

6.75m at 30.13% Zn, 12.67% Pb, 94.2 g/t Ag from 45.25 mdh

Implication of results

The geology in this area demonstrates a classic pinch and swell structure, or boudinaging, controlled by shearing which hosts zinc and lead sulphides as massive zones, disseminations and breccia infill.

- The ongoing drillout of the Tres Amigos mineralisation continues to successfully improve the understanding of the geological setting, structure and mineralisation prior to resource modelling of the results (Figures 1,2).
- Meanwhile, drilling from Level 7 continues to test the sulphide mineralisation at depth with very encouraging results. The drilling is establishing the style and geological setting of the mineralisation and is providing a framework for planning a systematic drillout of the mineralised horizon in the near term.

Assay results are awaited for numerous holes from both Tres Amigos and Level 7 deeps drilling, several of which have reported sulphide mineralisation in the visual logs.

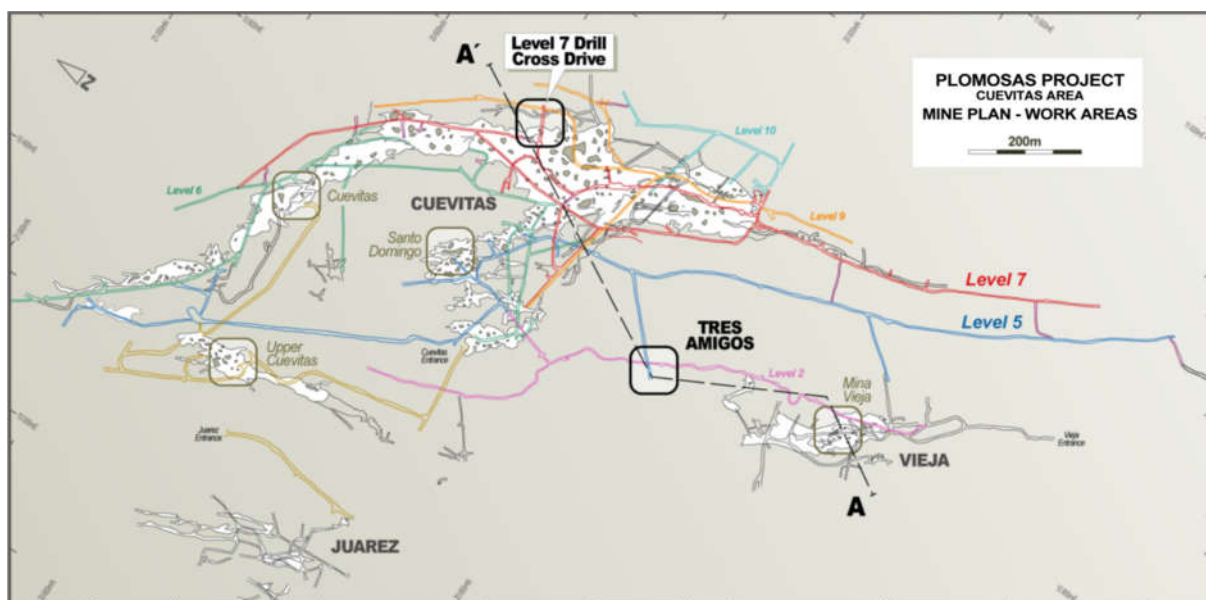


Figure 1. Plan view of the Plomosas mine showing location of the cross section in Figure 2 (trace A-A') and work areas referred to in the text including the Tres Amigos zone and the drill drive access being established for the Main Manto Horizon drilling below Level 7.

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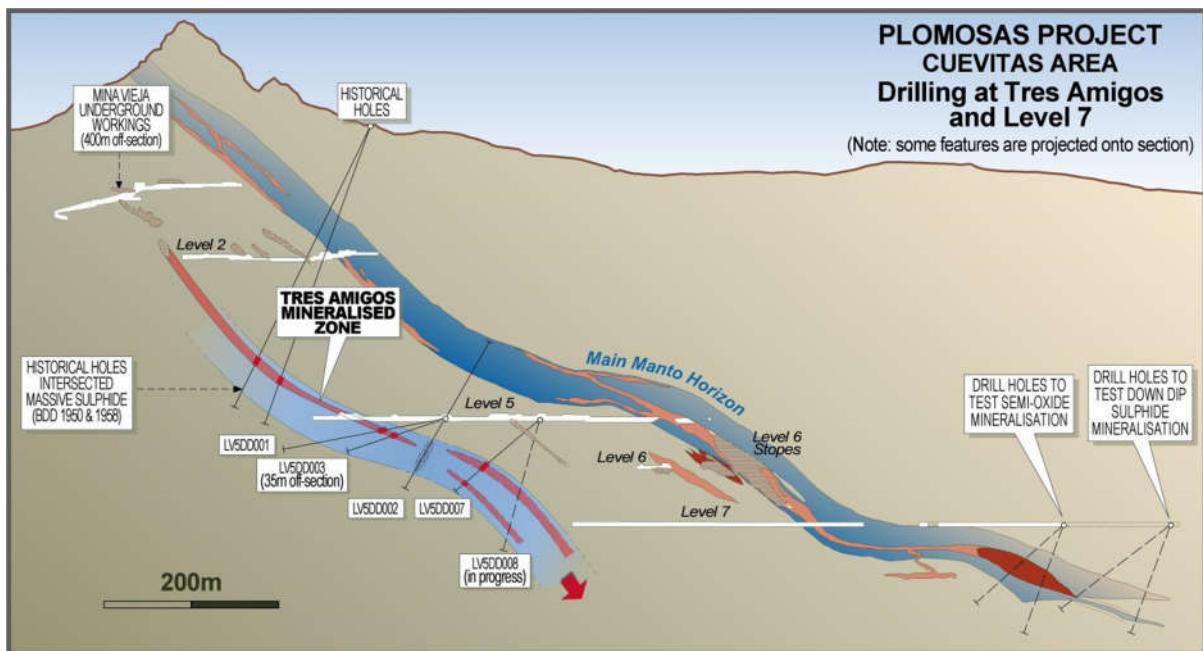


Figure 2. Section view of the Plomosas mine through Cuevitas area (A-A') showing the Tres Amigos zone, historical drilling and the drilling planned for Main Manto Horizon below Level 7.

Geological settings

Level 7 Deeps

The characteristically brecciated Main Manto Horizon is the host to the mineralisation occurring in the Level 7 area and has been the main source of ore throughout Plomosas historical mining. Massive sulphides commonly occur on the contact zones between the hanging wall shales and the Main Manto. This contact is nearly always highly sheared. Immediately below this mineralised contact and within the Main Manto is a sequence of sheared marble with open spaced vuggy texture.

Individual units comprising massive sulphide mineralisation vary from 0.5m up to around 4m in places. On average the thickness is around two metres in the central zones and thins to the outside of the mineralised zone. It appears the massive sulphide mineralisation pinches and swells within a ductile shear zone which is expected to continue and thicken down dip with additional massive sulphide mineralisation. This is the typical and expected nature of this style of mineralisation.

Tres Amigos

The mineralisation seen at Tres Amigos behaves in a similar fashion to the Main Manto Horizon and morphologically the mineralised units pinch and swell within a constrained horizon (Figure 2). However, the history of the mineralisation appears slightly different in the Tres Amigos area around Level 5 where multiple phases, perhaps related to mineralising fluids from nearby intrusives and tectonism, have seen overprinting and remobilisation resulting in Zn/Pb ratios quite different from the Main Manto Horizon which is generally 2:1. Within the Tres Amigos Horizon compositions are generally Zn rich- Pb poor but in areas might be Zn poor- Pb rich.

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Table 1. Summary of drilling highlights received for Tres Amigos and Level 7 Deeps

| Hole ID | From (m) | To (m) | Inter section (m) | TW* (m) | Zn % | Pb % | Ag g/t | Comment |
|-------------------------------|----------------|----------------|-------------------|--------------|----------------|----------------|----------------|---|
| Level 7 Deeps Drilling | | | | | | | | |
| LV7DD002 | 45.25 | 52.00 | 6.75 | 6.15 | 30.13 | 12.67 | 94.20 | Mass sulphide in semi-oxide zone (SOX) <i>Previously reported but revised after reassaying due to high grades exceeding lab upper limit.</i> |
| LV7DD003 | 50.20 56.90 | 53.10 57.85 | 2.90 0.95 | 2.40 0.85 | 34.52 29.10 | 14.95 11.50 | 89.99 61.30 | Mass sulphide in semi-oxide zone (SOX) Mass sulphide in semi-oxide zone (SOX) |
| LV7DD004 | | | | | NSI | NSI | NSI | Pinch zone, down-dip of mineralisation, disseminated sph, gn, py |
| LV7DD005 | 58.20 | 60.00 | 1.80 | 1.28 | 33.37 | 20.10 | 100.83 | Mass sulphide in semi-oxide zone (SOX) |
| LV7DD006 | 42.70 | 44.50 | 1.80 | 1.80 | 3.37 | 2.70 | 30.22 | Strongly silicified and altered structure with sulphide mineralisation |
| LV7DD007 | 71.60 | 74.25 | 2.65 | 2.00 | 18.42 | 10.12 | 60.77 | Intermittent mass sulphide with manto and breccias |
| Tres Amigos Drilling | | | | | | | | |
| TRSRD001 | 122.10 | 122.80 | 0.70 | 0.70 | 8.22 | 1.36 | 16.20 | Thin zone of MS intersected, may indicate thinning of mineralisation up-dip |
| TRSRD002 | 32.00 | 33.00 | 1.00 | 1.00 | 4.50 | 1.00 | 7.50 | **Hole terminated in stope |
| TRSRD004 | 134.20 | 135.30 | 1.10 | 1.10 | 5.02 | 28.71 | 76.10 | Massive sulph to the SE of UG drilling |
| TRSRD006 | | | | | NSI | NSI | NSI | Dissem, patchy veinlets of sphalerite and pyrite, weakly mineralised |
| TRSD009 | | | | | NSI | NSI | NSI | Interbed mass sulphide (1.00m @ 1.43% Zn, 0.365%Pb, 3.50g/t Ag from 113.7m) |
| TRSRC005, 007 and 008 | | | | | NSI | NSI | NSI | Precollar holes only, no diamond tail |

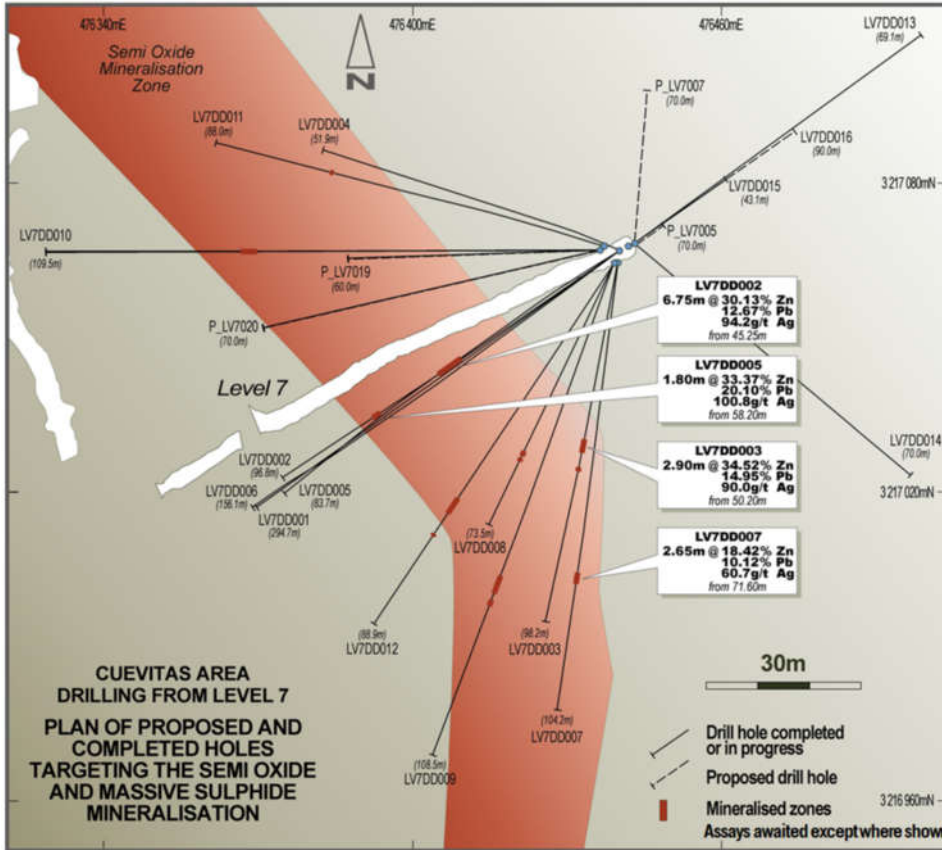


Figure 3. Plan view of the Level 7 drill collar location and drill traces

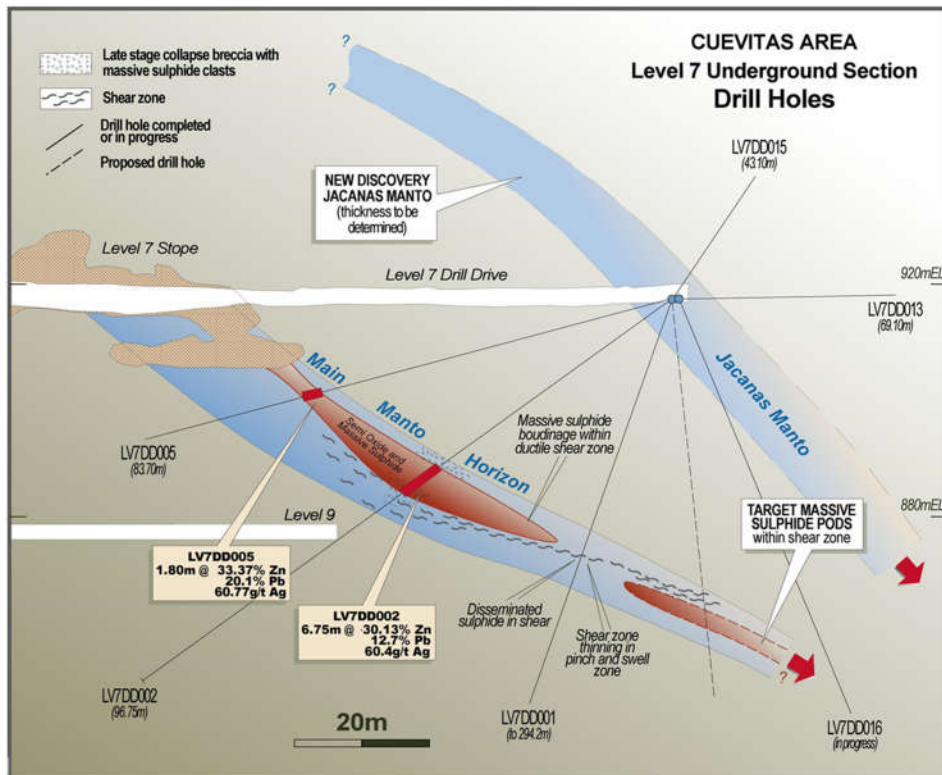


Figure 4. Section view of the Plomosas mine through Level 7 drill drive showing the planned drilling planned for the semi oxide mineralisation of the Main Manto Horizon and additional holes planned to test the newly encountered Jacanas Manto (thickness to be determined).

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21 March 2016

Managing Director Will Dix commented *“Drilling continues to return excellent grades at both Tres Amigos and from the deeper zone within the mine and drilling is planned to continue with multiple rigs in order to continue to expand the footprint of mineralisation. The Company continues to work towards our maiden JORC resources both at Tres Amigos and from the semi oxide zones beneath Level 7.”*

Yours faithfully,



Will Dix
Managing Director

ABOUT CONSOLIDATED ZINC

Consolidated Zinc Limited (ASX:CZL) is a minerals exploration company listed on the Australian Securities Exchange. The Company's major focus is in Mexico where it recently acquired 51% of the exciting high grade Plomosas Zinc Lead Silver Project through its majority owned subsidiary, Minera Latin American Zinc CV SAPI. 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's main focus is to identify and explore new zones of mineralisation within and adjacent to the known mineralisation at Plomosas with a view to identifying new mineral resources that are exploitable.

In addition to Plomosas the Company also has interests in the Jailor Bore Uranium Project in Western Australia.

Competent Persons' Statement

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Steve Boda BSc (Hons), MAIG, MGSA, MSEG and Andrew Richards BSc (Hons), Dip Ed, MAusIMM, MAIG, MSEG, GAICD. Messrs Boda and Richards are both Members of Australian Institute of Geoscientists (AIG) and Mr Richards is also a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Both Messrs Boda and Richards have 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). Messrs Boda and Richards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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| Table 2. Plomosas Drill hole details | | | | | | | | |
|--|---------------|----------------|----------|--------|-------------|--------|-------------|-----------------|
| HoleID | Easting WGS84 | Northing WGS84 | Elev (m) | Dip | Azimuth WGS | RC (m) | Diamond (m) | Total Depth (m) |
| Tres Amigos drilling | | | | | | | | |
| LV5DD001 | 476180.451 | 3216677.613 | 992.055 | -9.81 | 232.71 | 0.00 | 106.00 | 106.00 |
| LV5DD002 | 476180.642 | 3216677.749 | 990.883 | -65.78 | 237.04 | 0.00 | 100.00 | 100.00 |
| LV5DD003 | 476181.603 | 3216676.533 | 991.810 | -14.90 | 191.09 | 0.00 | 72.00 | 72.00 |
| LV5DD004 | 476176.705 | 3216682.597 | 992.077 | -10.37 | 291.07 | 0.00 | 110.00 | 110.00 |
| LV5DD005 | 476175.716 | 3216681.428 | 992.052 | -8.07 | 264.88 | 0.00 | 100.00 | 100.00 |
| LV5DD006 | 476185.674 | 3216680.526 | 995.212 | 67.99 | 57.80 | 0.00 | 60.00 | 60.00 |
| LV5DD007 | 476245.622 | 3216722.551 | 991.136 | -44.36 | 241.13 | 0.00 | 149.50 | 149.50 |
| LV5DD008 | 476246.339 | 3216722.606 | 990.985 | -68.08 | 230.03 | 0.00 | 164.40 | 164.40 |
| LV5DD009 | 476246.936 | 3216720.523 | 991.222 | -43.53 | 188.39 | 0.00 | 189.80 | 189.80 |
| LV5DD010 | 476245.169 | 3216723.758 | 991.461 | -45.11 | 270.67 | 0.00 | 110.00 | 110.00 |
| LV5DD011 | 476249.889 | 3216722.902 | 995.206 | 73.34 | 50.75 | 0.00 | 80.00 | 80.00 |
| LV5DD012 | 476292.500 | 3216663.500 | 992.500 | -30.00 | 235.00 | 0.00 | 185.80 | 185.80 |
| TRSRD001 | 476126.000 | 3216634.000 | 1167.072 | -65.00 | 235.00 | 99.50 | 76.80 | 176.30 |
| TRSRD002 | 476125.066 | 3216631.648 | 1167.072 | -80.00 | 235.00 | 27.50 | 118.55 | 146.05 |
| TRSRD003 | 476168.177 | 3216603.860 | 1138.345 | -65.00 | 235.00 | 141.80 | 26.20 | 168.00 |
| TRSRD004 | 476168.823 | 3216604.487 | 1138.285 | -80.00 | 235.00 | 99.50 | 110.45 | 209.95 |
| TRSRD005 | 476117.799 | 3216573.206 | 1142.767 | -55.00 | 235.00 | 63.00 | 0.00 | 63.00 |
| TRSRD006 | 476118.754 | 3216573.990 | 1142.630 | -75.00 | 235.00 | 93.90 | 65.65 | 159.55 |
| TRSRD007 | 476095.200 | 3216508.514 | 1160.126 | -50.00 | 235.00 | 120.00 | 0.00 | 120.00 |
| TRSRD008 | 476096.235 | 3216509.469 | 1160.061 | -70.00 | 235.00 | 99.00 | 0.00 | 99.00 |
| TRSD009 | 476309.000 | 3216320.000 | 1156.000 | -50.00 | 230.00 | 0.00 | 149.00 | 149.00 |
| TRSD010 | 476309.000 | 3216320.000 | 1156.000 | -70.00 | 230.00 | 0.00 | 176.00 | 176.00 |
| TRSD011 | 476309.000 | 3216320.000 | 1156.000 | -85.00 | 55.00 | 0.00 | 185.00 | 185.00 |
| Level 7 Drilling of sulphide mineralisation at depth | | | | | | | | |
| LV7DD001 | 476440.310 | 3217067.060 | 916.794 | -70.00 | 235.00 | 0.00 | 294.70 | 294.70 |
| LV7DD002 | 476440.310 | 3217067.060 | 916.794 | -35.00 | 235.00 | 0.00 | 96.75 | 96.75 |
| LV7DD003 | 476440.310 | 3217067.060 | 916.794 | -40.00 | 190.00 | 0.00 | 98.20 | 98.20 |
| LV7DD004 | 476440.310 | 3217067.060 | 916.794 | -40.00 | 290.00 | 0.00 | 81.90 | 81.90 |
| LV7DD005 | 476440.310 | 3217067.060 | 916.794 | -15.00 | 235.00 | 0.00 | 83.70 | 83.70 |
| LV7DD006 | 476440.310 | 3217067.060 | 916.794 | -55.00 | 235.00 | 0.00 | 156.05 | 156.05 |
| LV7DD007 | 476439.910 | 3217064.683 | 916.794 | -33.00 | 188.00 | 0.00 | 104.15 | 104.15 |
| LV7DD008 | 476439.055 | 3217064.373 | 916.794 | -40.00 | 206.00 | 0.00 | 73.50 | 73.50 |
| LV7DD009 | 476439.414 | 3217064.497 | 916.794 | -20.00 | 200.00 | 0.00 | 108.45 | 108.45 |
| LV7DD010 | 476436.464 | 3217067.013 | 916.794 | -10.00 | 270.00 | 0.00 | 109.50 | 109.50 |
| LV7DD011 | 476437.664 | 3217067.710 | 916.794 | -25.00 | 285.00 | 0.00 | 88.00 | 88.00 |

21 March 2016

Table 2. Plomosas Drill hole details

| HoleID | Easting WGS84 | Northing WGS84 | Elev (m) | Dip | Azimuth WGS | RC (m) | Diamond (m) | Total Depth (m) |
|----------------------------------|---------------|----------------|----------|--------|-------------|--------|-----------------|-----------------|
| LV7DD012 | 476438.485 | 3217064.163 | 916.794 | -20.00 | 213.00 | 0.00 | 88.90 | 88.90 |
| LV7DD013 | 476443.110 | 3217068.300 | 917.000 | 0.00 | 55.00 | 0.00 | 69.10 | 69.10 |
| LV7DD014 | 476443.110 | 3217068.300 | 917.000 | 0.00 | 130.00 | 0.00 | 70.05 | 70.05 |
| LV7DD015 | 476443.110 | 3217068.300 | 917.000 | 60.00 | 55.00 | 0.00 | 43.15 | 43.15 |
| LV7DD016 <i>(in progress)</i> | 476443.110 | 3217068.300 | 917.000 | -65.00 | 55.00 | 0.00 | <i>90.0 (f)</i> | <i>90.0 (f)</i> |

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|-----------------------|---|---|
| Sampling techniques | <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"> Sampling of cut channels was conducted by locating a one metre sampling line, using spray paint across mineralisation and ensuring that the line began in hanging wall host, spanned mineralisation and terminated in footwall host. Where mineralisation was thicker than one metre, the line was adjusted accordingly. This was done to minimise the bias of the sample value. Channel sampling was then completed, using the line as a guide, without sampling the line itself. As much representative sample was taken from the length of the line to produce a two to four kilogram sample. For this level of exploration, the sample size and method of sampling was deemed adequate to represent in-situ material. Drilling sampling techniques employed at the Plomosas underground drilling program include saw cut NQ drill core samples. Only NQ triple tube core (NQ3) is currently being used to drill out the geological sequences and identify zones of mineralisation that may or may not be used in any Mineral Resource estimations, mining studies or metallurgical testwork. Diamond NQ3 core was sampled on geological intervals/contacts, with the minimum sample size of 0.3m and max 1.2m. Core was cut in half, with one half to be sent for analysis at an accredited laboratory, while the remaining half was stored in appropriately marked core boxes and stowed in a secure core shed. Duplicates were quarter core, sampled from the half sent for analysis. |
| Drilling techniques | <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"> Currently NQ3 triple tube using conventional wireline drilling is being used. Core is being routinely orientated where possible, every 5th run (a run being 1.5 metres in length) using the Reflex ACT II RD core orientation system. |
| Drill sample recovery | <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"> Diamond core was reconstructed into continuous runs where possible, in an angle iron cradle for orientation mark ups. Depths were checked against drillers blocks and rod counts were routinely carried out by the drillers. Use of triple tube improves core recovery. Measurements for core recoveries were logged and recorded on hard copy sheets, which were then loaded into excel sheets and sent for data entry. These measurements, in combination with core photography show the overall recoveries at >95%. |
| Logging | <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 | <ul style="list-style-type: none"> CZL system of logging core records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples. Logging is both qualitative and quantitative depending on the field being logged. All drill holes are logged in full to end of hole. Diamond core is routinely photographed digitally |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <i>relevant intersections logged.</i> | |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> • CLZ diamond core is NQ3 size, sampled on geological intervals (0.3 m to 1.2 m), sawn in half or quartered if duplicate samples are required. • Samples to be submitted to ALS Chemex for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 30g charge for 4-acid digest with an ICP-MS or AAS finish. A split will be made from the coarse crushed material for future reference material. • Field duplicates are routinely taken for core samples. CZL procedures include a minimum of one duplicate per approximately 20 samples. |
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> | <ul style="list-style-type: none"> • All drill samples were submitted to ALS Laboratories for multi-element analysis using a 30g charge with a multi-acid digest and ICP-MS or AAS finish (ME-ICP61). Over the limit results will be routinely reassayed by ore grade analysis OG62. Over the limit results for the ore grade will be reassayed by titration methods Cu-VOL61, Pb-VOL50 or Zn-VOL50. • Analytes include 51 elements and include Ag, Au, Cu, Pb, Zn as the main elements of interest. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion of CRM standards is visible estimation with a minimum of two per batch. Geostats standards were selected on their grade range and mineralogical properties. • Blanks are inserted at the bottom of relevant mineralised zones using the fine certified blank and immediately later the coarse blank, to identify any potential cross contamination. • All drill assays were required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. |
| <i>Verification of sampling and assaying</i> | <ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> • Significant drilling intersections are noted in this report and are verified by qualified personnel from geological logging. • No twinned holes are being drilled as part of this program. • CZL logging and sampling data was captured and imported using excel sheets and data entered into Micromine. • All CZL drillhole and sampling data is stored in a Micromine based system. Manual backups are routinely carried out. |
| <i>Location of data points</i> | <ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> • Underground drill holes were located by Micromine using accurately surveyed drives and stopes. Once the drill holes were located, mine survey crew resurveyed the caddy and the hole locations. A final collar survey will be finalised when the holes are completed. • Down-hole surveys were taken at a nominal 30m interval and a final survey was taken at end of hole using a Reflex EZ-TRAC digital camera. • Grid system used is WGS84 Zone 13 |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the</i> | <ul style="list-style-type: none"> • Hole spacing is currently limited by the confinements of the underground drives. Azimuths of holes are planned so significant intersections have adequate spacing between them to allow sufficient geological and grade continuity as appropriate for inclusion in any Minerals |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <p><i>Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> | <p>Resource estimations. Where underground access drives allows, drill cuddies have been established at 80 metre intervals to allow for adequate drill spacing.</p> <ul style="list-style-type: none"> • No sample compositing has been applied |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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> | <ul style="list-style-type: none"> • Drill orientations was designed to intersect any geological or geophysical contacts as high an angle as possible to reflect true widths as possible. • Sampling has been designed to cross structures as near to perpendicular as possible, minimising any potential in creating a bias sampling orientation. |
| <i>Sample security</i> | <ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> • Samples were bagged in pre-numbered plastic bags into each bag a numbered tag was placed and then bulk bagged in batches not to exceed 25kg, into larger polyweave bags, which were then also numbered with the respective samples of each bag it contained. • The bags were tied off with cable ties and stored at the core facility until company personnel delivered the samples to the laboratories preparation facility in Chihuahua. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> • No audits have been completed to date, but both in-house and laboratory QAQC data will be monitored in a batch by batch basis. All protocols have been internally reviewed. |

Section 2 Reporting of Exploration Results

(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"> • <i>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.</i> • <i>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.</i> | <ul style="list-style-type: none"> • The Plomosas project is located in the northern Mexican State of Chihuahua, 110km north east of Chihuahua City, and comprises 11 concessions covering 3019 hectares including 5 Mining concessions, 4 Exploitation concessions and 2 Exploration concessions. Consolidated Zinc Ltd (formerly Newera Resources Ltd) acquired a 51% beneficial interest in the Project through Latin American Zinc S.A.P.I. DE C.V. (LAZ), a Joint Venture company, from the original holders Compania Retec Guaru S.A. de CV (Retec) and related principals. Under the terms of the Joint Venture agreement, CZL is the operator and has the rights to increase its equity in the Project up to 100%. Details of the concessions, JV Agreement and acquisition terms have been released to the ASX by CZL. • The concessions do not host any historic sites, wilderness or national parks and standard access agreements have been reached with the rancher on whose property the Project is located. • All concessions are current and in good standing and have expiry dates ranging from 2052 to 2060. There are no impediments to obtaining licences to operate in the area or extend those operating permits and licences already held by the Project. |
| <i>Exploration done by other parties</i> | <ul style="list-style-type: none"> • <i>Acknowledgement and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> • Most work at Plomosas since discovery of surface mineralisation in 1843 involved large scale underground mining operations between 1943 and 1974 by ASARCO Grupo de Mexico who extracted |

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| Criteria | JORC Code explanation | Commentary |
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| | | <p>1.7Mt at 15.6% Zn, 7.9% Pb and 60g/t Ag down to a depth of approximately 270m. The only exploration undertaken was related to the immediate needs of the mine development and grade control. Intermittent small to medium scale mining of the remnant mineralisation occurred between 1975 and 2015 by various operators culminating in the present owners, Retec. No exploration was undertaken by the operators at this time.</p> <ul style="list-style-type: none"> • Several potential purchasers undertook short exploration programs including Kennecott (1976-81), North Minera (2000) and Mineras Penoles S.A. de C.V (Penoles) in 2014-15. Kennecott completed 6 shallow vertical reverse circulation holes over a 2.5km strike length and reportedly obtained one sulphide intercept of interest. North undertook detailed gravity and magnetic geophysical surveys and planned diamond drilling but left for corporate reasons. Penoles completed 20 diamond holes in the area around and away from Plomosas and encountered zinc, lead and silver mineralisation along strike of mineralisation seen in Level 7 of the Cuevitas workings at Plomosas. They did not drill down plunge of the main mineralised horizon. • Despite past exploration and an extensive history of mechanised underground mining since at least 1943, the historical data available for analysis is incomplete, requires verification and occasionally comprises extracts from sources with uncertain provenance. Verification and documentation to JORC or NI43-101 standard is required for historical exploration data. |
| <p><i>Geology</i></p> | <ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> • The Plomosas deposit is located on the western margin of the major Chihuahua Basin where it outcrops along the eastern margin of the Sierra Monillas mountains, which are characterised by a series of tilted fault blocks forming elongated, assymetric ridges or mountains with broad intervening basins. <p>The Chihuahua Basin is considered a pull-apart basin developed by major tectonic shears and lineaments within the basement rocks which are considered important for the Plomosas style of mineralisation as it provides large regional coverage, major faulting and other structures that provide pathways for mineralising fluids, as well as extensive platforms of carbonate (limestone) sequences deposited between other sedimentary units</p> <ul style="list-style-type: none"> • The concessions encompass an exposure of 7 km of Paleozoic, Mesozoic and Cenozoic strata. These units strike NW to NNW in the mine area and dip shallowly to moderately to the north east. Overturning and overthrusting are the dominant forms of structural deformation within the Sierra Monillas and thrust sheets have resulted in a flat-iron ridge type morphology of the range. • Mineralization is considered to be a Limestone Replacement Style of deposit which is similar in morphology to MVT and Intrusive Related Carbonate Hosted (IRCH) deposits Sub volcanic units have been mapped and North proposed a deep igneous intrusive near Plomosas from their geophysical interpretation. • Individual deposits are hosted by a Paleozoic (Ordovician to Permian) sequence of shales, argillaceous limestones, reefal limestones, conglomeratic limestones and sandstones. Units are disrupted by a number of high angle cross-faults of |

| Criteria | JORC Code explanation | Commentary |
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| | | <p>apparently minor displacement.</p> <ul style="list-style-type: none"> • Deposits are formed by mineralised fluids migrating through district scale structures and preferentially replacing or overprinting carbonate units in the shale-limestone sequence. • Mineralisation as sphalerite, galena, pyrite and occasionally minor chalcopyrite is confined to identifiable stratigraphic horizons as: <ul style="list-style-type: none"> • Low angle, stratiform sheets of mineralisation at several limestone-rich horizons in the sequence (mantos), or • High angle, crosscutting mineralised bodies in linking structures (chimneys). • Massive orebodies are found in groups with individual dimensions comprising: <ul style="list-style-type: none"> • Strike lengths ranging from tens to several hundred metres, and • Thicknesses from 0.5m to 15m (average ~3 - 4m) |
| Drill hole information | <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"> • Information material to the understanding of the exploration results is provided in the text of the release. • Drill collar information, dip and azimuth and sampled intervals are tabulated. • No information has been excluded. |
| Data aggregation methods | <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 and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> • A nominal low cut grade of 10% Zn+Pb has been chosen to differentiate mineralised material from unmineralised material, once assays are returned. • Aggregates were calculated as weighted averages using the above cut off grade typically allowing only 2m of total internal dilution to be included, with a maximum individual length of waste thickness not exceeding 1m. • Grades used for calculating significant intersections are uncut. • Higher grade intercepts contained within aggregated intervals are also reported. • No metal equivalents are used. |
| Relationship between mineralization 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 | <ul style="list-style-type: none"> • The geometry of the mineralisation relative to the drill holes, is targeted to be as close to perpendicular as practicable and is subject to availability of drill rig positions underground. Drill intercepts are quoted with both downhole lengths and estimated True Widths subject to geological understanding at the time. • The mineralisation is stratiform within tabular horizons and forms discrete sheets and lenses. Typical physical dimensions have been described in this Section 2 |

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| | <i>length, true width not known').</i> | above. |
| <i>Diagrams</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • Please refer to Figures included in this report for this data. Appropriate maps and sections with scale are included within the body of the accompanying document. |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • The accompanying document is considered to represent a balanced report. The results are reported in a comprehensive manner. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • Other exploration data collected is not considered as material to this document at this stage or is inadmissible to be quoted under JORC guidelines. • Potentially material data will be reviewed, verified and reported if considered material and/or appropriate under the JORC Code Reporting Guidelines. |
| <i>Further work</i> | <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> • Future work at Plomosas includes rehabilitation and establishment of explorations drives at Level 7 and Level 5 with the intention of establishing drill caddies to permit resource drillouts of both the Main Manto Horizon and the Tres Amigo Footwall zones of mineralisation. • The sections and diagrams in the accompanying document provide details of the areas of possible extensions and exploration activity, including main geological interpretations. |