

## Confirmation of drilling results yields +50% zinc grades

- Final assays received for holes LV5DD001, LV5DD002 and LV5DD003 testing Tres Amigos zone below Main Manto Horizon;
- Outstanding grades confirmed in holes LV5DD001 and LV5DD003 with individual results up to nearly 60% combined Zinc + Lead;
- Confirms potential for repetitions of ore grade mineralisation replacing limestone rich horizons in the footwall and hanging walls of the Main Manto Horizon.

The Company is pleased to report the return of check samples containing extremely high zinc grades from the drilling of the Tres Amigos footwall zone below the Main Manto Horizon. As described in our announcement of October 7, these samples were of such high grade that they exceeded the upper limit of the method used and had to be re-assayed using concentrate analysis techniques.

These samples are summarised in Table 1 and the full list of assays are updated in Table 2.

Table 1. Results from re-assay of samples >30% Zn, Tres Amigos area (Plomosas Mine)									
Hole ID	Sample No.	From (m)	To (m)	Inters (mdh)	Approx TW* (m)	% Zn	% Pb	g/t Ag	Combined % (Zn+Pb)
LV5DD001	426029	39.05	40.05	1.00	0.70	<b>32.82</b>	5.31	26.5	38.12
	426030	40.05	41.05	1.00	0.70	<b>44.98</b>	5.78	40.2	50.76
	426032	41.05	42.05	1.00	0.70	<b>46.45</b>	1.29	26.5	47.74
	426034	42.05	43.05	1.00	0.70	<b>38.31</b>	3.63	34.9	41.94
	426036	43.05	43.75	0.70	0.49	<b>51.68</b>	8.11	37.1	59.79
LV5DD003	426102	25.35	26.20	0.85	0.52	<b>32.97</b>	0.97	25.0	33.94
	426114	36.55	37.45	0.90	0.54	<b>31.85</b>	0.07	12.0	31.92
	426115	37.45	38.40	0.95	0.57	<b>31.36</b>	0.07	14.2	31.43

Previously announced drill hole intersections are updated below with final assays:

LV5DD001	0.90m at 20.3% Zn, 0.99% Pb, 11.1 g/t Ag from 21.3m (app TW 0.64m) <b>4.70m at 42.28% Zn, 4.61% Pb, 32.78 g/t Ag from 39.05m (app TW 3.30m)</b>	Dilational zone of the Tres Amigos footwall horizon.
LV5DD002	No intercepts met lower cut-off criteria >10% Zn+Pb. Anomalous Zn and Ag values only (Table 1).	Intersected Tres Amigos horizon in thinner area of compression.
LV5DD003	<b>4.45m at 19.34% Zn, 1.67% Pb, 15.25 g/t Ag from 21.75m (app TW 2.70m)</b> <b>4.15m at 21.71% Zn, 0.05% Pb, 7.72 g/t Ag from 36.55m (app TW 2.50m)</b>	Dilational zone of the Tres Amigos footwall horizon.

Note: Hole LV5DD003 is 35m away and along strike from LV5DD001

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The results confirm our expectation of extremely high grades from the Tres Amigos mineralised horizon and the potential for additional mineralised zones in the limestone rich units above and below the Main Manto Horizon.

Tres Amigos represents an exciting opportunity for the Company as it is a previously untested and unmined horizon stratigraphically below the Main Manto Horizon mined in the Cuevitas area of the Plomosas mine. CZL believes the upper reaches of this mineralised horizon was successfully mined at the Mina Vieja and Juarez areas (400m along strike to the SSE, and 800m to the NW respectively).

Notably, underground development has already been established to the horizon enabling ready access and, subject to continued drilling success, scoping studies will commence to assess the economic viability of this mineralisation.

#### Historic confirmation

In addition to the underground drilling completed by Consolidated Zinc, further investigation into historic drill data has identified 2 surface holes drilled through an up-dip projection of the Tres Amigos mineralisation. Both holes intersected approximately 3m of reported massive sulphides in the drill core. The approximate position of these holes is shown on Figure 1.

#### Immediate Plans

The Company will follow up these exciting developments, and plans to mobilise a surface rig to investigate the up dip extensions at Tres Amigos as well as continuing to utilise an underground rig to explore along strike and down dip.

It is expected the next phase of the drilling will continue to improve our understanding of the extent and the geometry of the mineralisation over the next 4-6 weeks subject to the ongoing drilling results.

However, the recent success at Tres Amigos does not detract from the Company's objectives to explore the depth extensions of the main mineralised lode below Level 7. With this area of the mine now accessible and refurbished to appropriate safety standards, a renewed focus on sampling and drilling this horizon will commence in parallel with the Tres Amigos program. Detailed surveying and sampling of the semi-oxidised mineralisation exposed in Level 7 development will continue prior to the commencement of drilling planned by mid-November in Level 7 and below.

Should the results in Tres Amigos continue to deliver similar grades and widths, the Company plans to move as rapidly as possible towards a scoping study on this new zone to determine whether it would be viable to re-commission the existing on-site plant in order to generate short term cash flow from mining the Tres Amigos zone as a stand alone development opportunity.

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**Table 2. Summary of drill intercepts, Tres Amigos area. (Plomosas Mine drilled from Level 5 Cuddy 1)**

Hole ID	Co-ordinates	Azi/Dip	From (m)	To (m)	Inters (mdh)	Approx TW* (m)	% Zn	% Pb	g/t Ag
LV5DD001	476181.82mE 3216678.05mN 990.81mRL	235°/-10°	20.70	21.30	0.60	0.42	5.00	1.52	13.7
			21.30	22.20	0.90	0.64	20.30	0.99	11.1
			22.20	23.45	1.25	0.88	2.58	0.11	9.3
			34.10	34.80	0.70	0.50	8.59	0.29	8.2
			39.05	40.05	1.00	0.70	<b>32.82</b>	5.31	26.5
			40.05	41.05	1.00	0.70	<b>44.98</b>	5.78	40.2
			41.05	42.05	1.00	0.70	<b>46.45</b>	1.29	26.5
			42.05	43.05	1.00	0.70	<b>38.31</b>	3.63	34.9
43.05	43.75	0.70	0.49	<b>51.68</b>	8.11	37.1			
LV5DD002	476181.82mE 3216678.05mN 990.81mRL	235°/-60°	13.00	14.10	1.10	1.10	1.06	0.08	4.1
			22.25	23.20	0.95	0.95	2.32	0.31	4.7
			28.30	29.45	1.15	1.15	2.04	0.17	2.4
			29.45	30.50	1.05	1.05	2.13	0.26	2.5
			90.90	92.40	1.50	1.50	3.35	0.08	14.9
LV5DD003	476181.82mE 3216678.05mN 990.81mRL	190°/-15°	20.75	21.75	1.00	0.60	3.34	0.70	10.2
			21.75	22.65	0.90	0.55	26.60	3.45	19.9
			22.65	23.55	0.90	0.55	20.10	0.66	7.8
			23.55	24.45	0.90	0.55	5.34	2.85	14.0
			24.45	25.35	0.90	0.55	12.45	0.37	10.1
			25.35	26.20	0.85	0.52	<b>32.97</b>	0.97	25.0
			26.20	26.85	0.65	0.40	6.43	0.76	13.2
			36.55	37.45	0.90	0.54	<b>31.85</b>	0.07	12.0
			37.45	38.40	0.95	0.57	<b>31.36</b>	0.07	14.2
			38.40	39.60	1.20	0.72	2.82	0.01	1.7
39.60	40.70	1.10	0.66	25.70	0.07	5.2			

Note: **TW** represents an approximate true width of the mineralisation based on structural assessment of contact information and drill orientations. **mdh**: metres down hole

Managing Director Will Dix commented "This is a great result knowing we can have confidence that massive sulphides throughout the mine have such excellent tenor. Our job is now to quickly understand the geometry and continuity of this footwall zone while ensuring we continue to push ahead with our exploration efforts within and below Level 7. The next few months will be an exciting period of time for Shareholders as we further evaluate this mineralisation and the short term development opportunities it presents"

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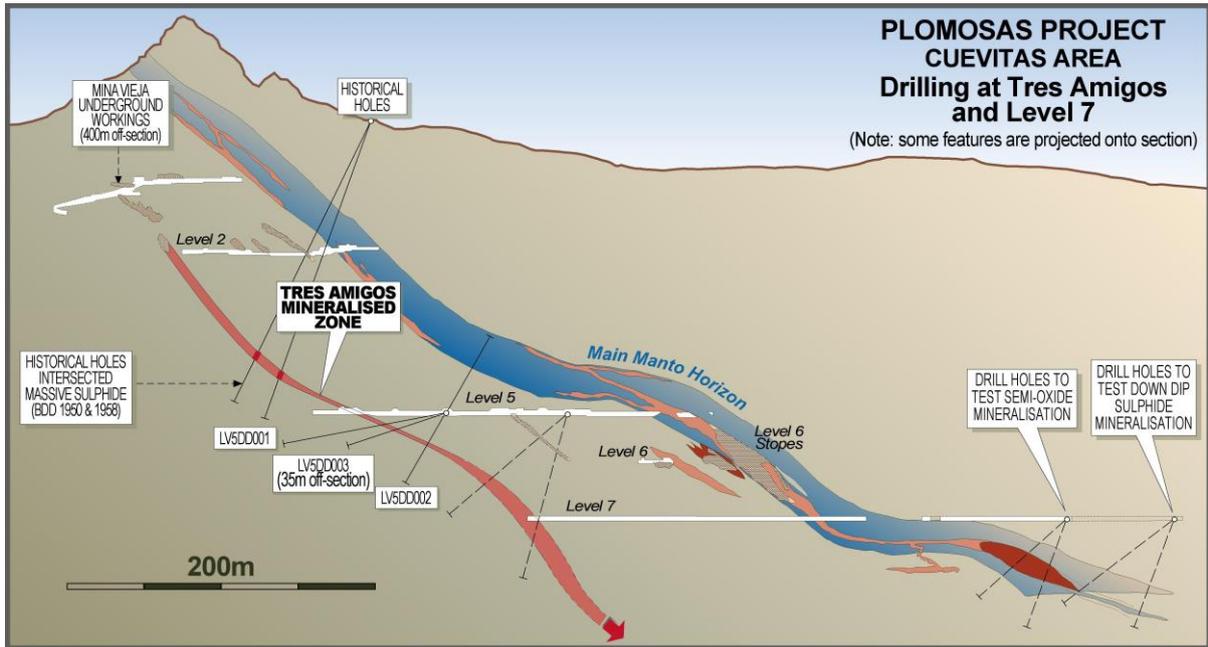


Figure 1. Showing the drill hole locations at Tres Amigos. LV5DD002 is below LV5DD001 and LV5DD003 is off section and 30m along strike.

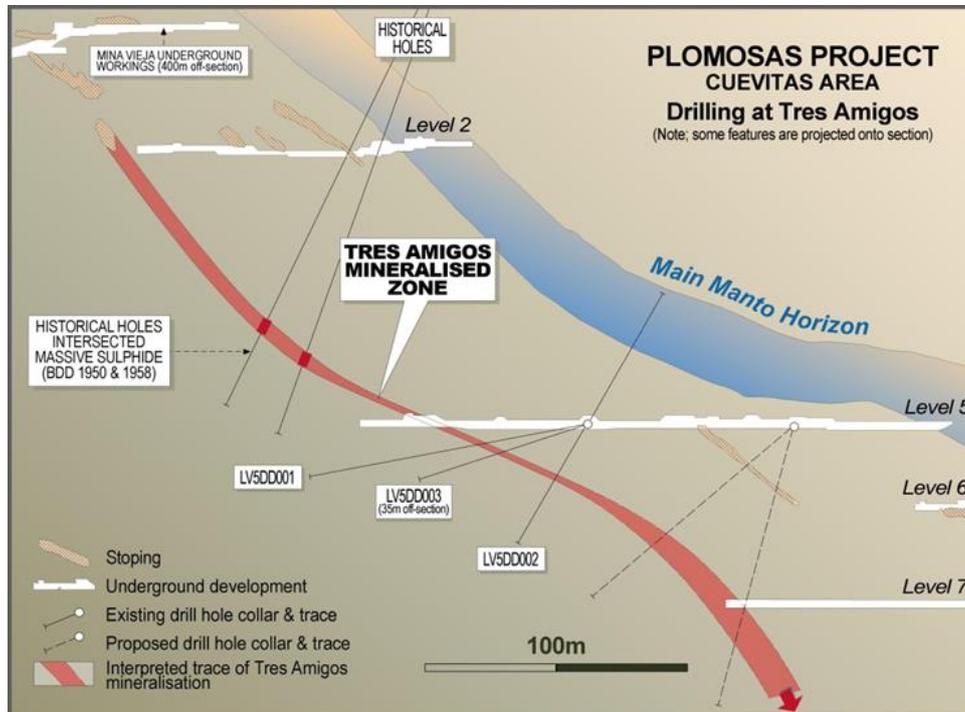


Figure 2. Close up sectional view of the Tres Amigos showing planned and actual drill traces. Note thickening and thinning of mineralised unit with dip.

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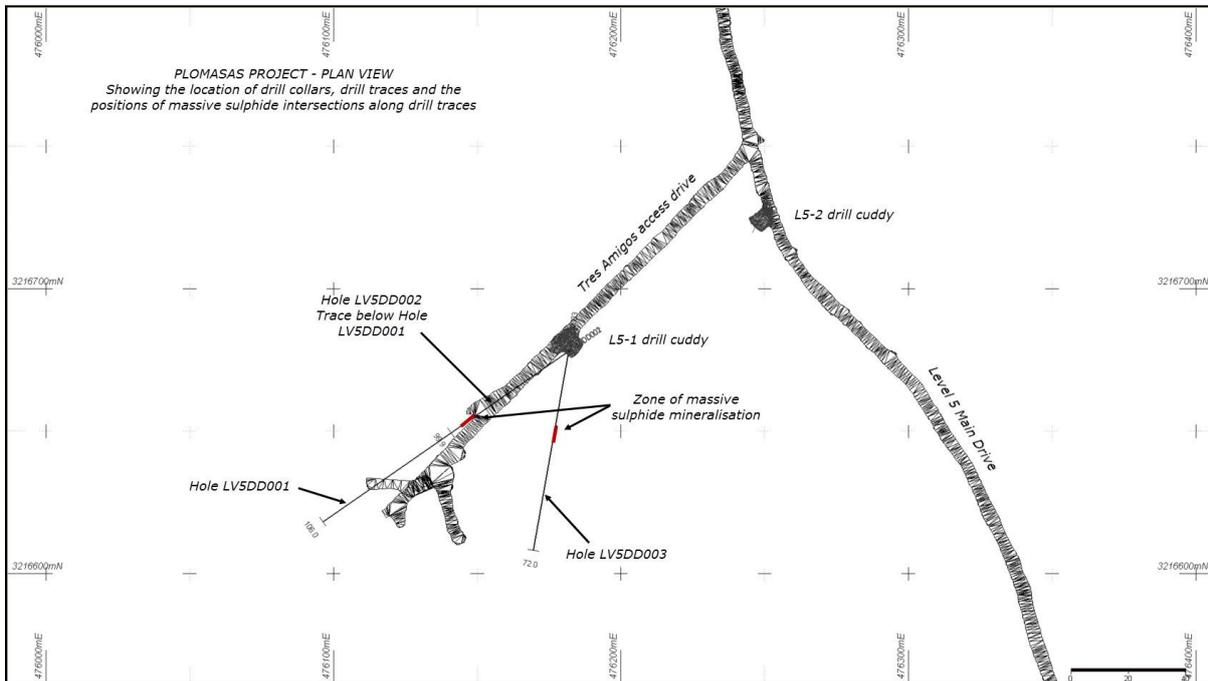


Figure 3. Plan view of the Tres Amigos drill collar location and drill traces with respect to mineralised intersections

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.

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**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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# 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"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling techniques employed at the Plomosas underground drilling program include saw cut NQ drill core samples.</li> <li>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.</li> <li>Diamond NQ3 core was sampled on geological intervals/contacts, with the minimum sample size of 0.3m and max 1.2m.</li> <li>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.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Currently NQ3 triple tube using conventional wireline drilling is being used.</li> <li>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.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Use of triple tube improves core recovery.</li> <li>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 &gt;95%.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>CZL system of logging core records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples.</li> <li>Logging is both qualitative and quantitative depending on the field being logged.</li> <li>All drill holes are logged in full to end of hole.</li> <li>Diamond core is routinely photographed digitally</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Samples to be submitted to ALS Chemex for preparation. The sample preparation follows industry</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (&gt;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.</p> <ul style="list-style-type: none"> <li>Field duplicates are routinely taken for core samples. CZL procedures include a minimum of one duplicate per approximately 20 samples.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Analytes include 51 elements and include Ag, Au, Cu, Pb, Zn as the main elements of interest.</li> <li>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.</li> <li>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.</li> <li>All drill assays were required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant drilling intersections are noted in this report and are verified by qualified personnel from geological logging.</li> <li>No twinned holes are being drilled as part of this program.</li> <li>CZL logging and sampling data was captured and imported using excel sheets and data entered into Micromine.</li> <li>All CZL drillhole and sampling data is stored in a Micromine based system. Manual backups are routinely carried out.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Underground drill holes were located by Micromine using accurately surveyed drives and stopes. Once the drill holes were located, mine survey crew resurveyed the cuddy and the hole locations. A final collar survey will be finalised when the holes are completed.</li> <li>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.</li> <li>Grid system used is WGS84 Zone 13</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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 Resource estimations. Where underground access drives allows, drill cuddies have</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>been established at 80 metre intervals to allow for adequate drill spacing.</p> <ul style="list-style-type: none"> <li>• No sample compositing has been applied</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Drill orientations was designed to intersect any geological or geophysical contacts as high an angle as possible to reflect true widths as possible.</li> <li>• Sampling has been designed to cross structures as near to perpendicular as possible, minimising any potential in creating a bias sampling orientation.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>