

Loan Facility Secured to Fast Track Drilling

- **\$1M Drawdown loan facility secured to fast track Plomosas drilling program;**
- **Funds available immediately to mobilise additional drilling equipment;**
- **Drilling will focus on the footwall Tres Amigos zone and also the semi-oxidised and extensional drilling at Cuevitas.**

Following the early drilling success at the Tres Amigo's footwall zone (see ASX announcement 12 October 2015), Consolidated Zinc Limited (ASX: CZL) is pleased to announce it has agreed to terms with the Company's major Shareholder, the Copulos Group, to provide an immediate A\$1 Million drawdown facility in order to fast track the drilling programs at the Plomosas Project in northern Mexico. The key terms to funding agreement are as follows:

- A\$1 Million facility with A\$500,000 available immediately;
- The facility has a maturity date of 12 months from establishment;
- The Company will pay a fixed fee of 3,000,000 fully paid CZL shares, no additional interest or fees will be paid by the company to the Copulos Group. The issue of these shares requires Shareholder approval;
- The loan can convert to shares at the Company's next capital raising.

Access to these additional funds will allow the Company to immediately mobilise a surface rig to drill the interpreted up-dip extensions of the Tres Amigos mineralisation between Mina Veija and the current drilling and at the same time drill the down-dip extensions from underground. The Company will also prioritise the testing of the semi-oxidised zone and depth extensions to the Cuevitas mineralisation from Level 7 as soon as practicable.

"This additional funding provided from the Copulos Group confirms the confidence they have in the company's ability to fast track and deliver on the very high grade Plomosas Zinc project. The Copulos group has been a tremendous cornerstone investor and supporter of the company" said Will Dix, Managing Director.

Yours faithfully,



Will Dix
Managing Director

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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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