

20 October 2015

Down-dip Extension of Massive Sulphide Mineralisation Confirmed at Tres Amigos

- Drillhole LV5DD007 completed testing the Tres Amigos down dip mineralisation in the footwall of main Plomosas mineralised horizon.
- Wide zone of sulphide mineralisation intersected with several units of massive sulphide encountered.
- Tres Amigos geological model continues to be validated

Consolidated Zinc Limited (ASX:CZL) is excited to announce another significant intersection of massive sulphides and wide zone of disseminated and veined base metal sulphides in the fourth drillhole, LV5DD007, completed down dip at the Tres Amigos zone which is part of the high grade Plomosas Zinc Project.

As previously documented, Tres Amigos represents an exciting opportunity for the Company as it is a previously untested and unmined horizon stratigraphically below the Main Marble Manto mined in the Cuevitas area of the Plomosas mine. CZL believes this mineralised horizon was successfully mined at the Vieja and Juarez areas (400m along strike to the SSE, and 800m to the NW respectively). Figures 1 and 2.

The drilling targeted the Tres Amigos zone below hole LV5DD003 which intersected 4.45m at 19.34% Zn, 1.67% Pb, 15.25 g/t Ag from 21.75m (app TW 2.70m) and 4.15m at 21.71% Zn, 0.05% Pb, 7.72 g/t Ag from 36.55m (app TW 2.50m) (ASX 11 October, 2015).

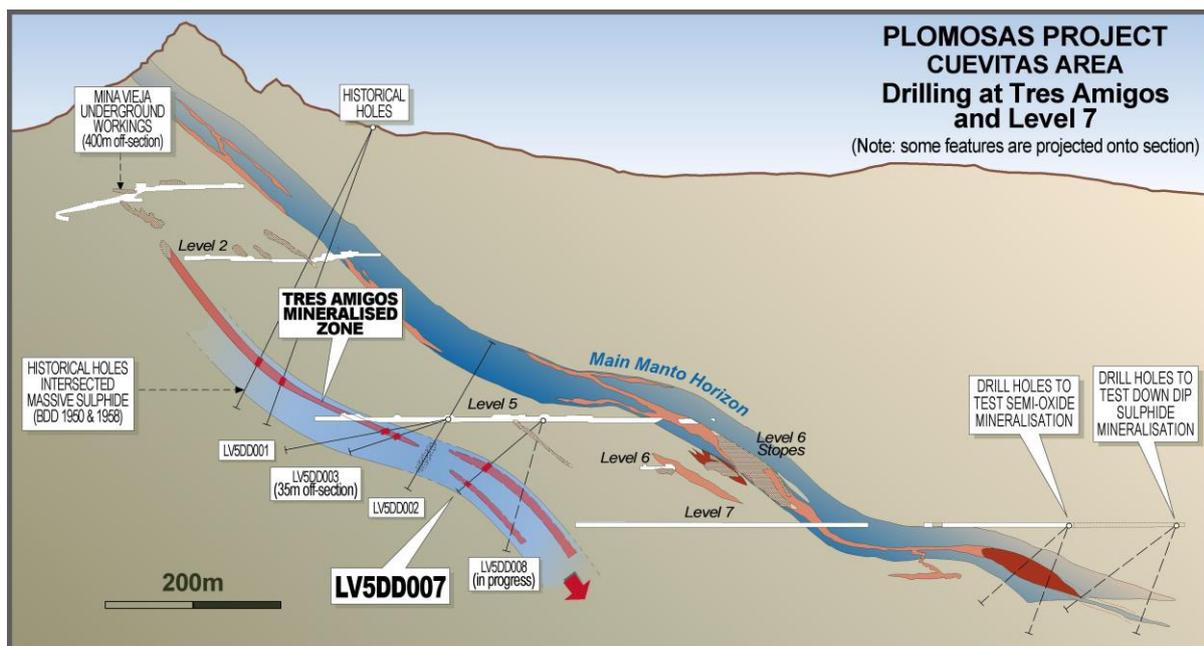


Figure 1: Showing the drill hole locations at Tres Amigos highlighting the recently completed hole LV5DD007.

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LV5DD007 intersected an envelope of significant stockworking, with sphalerite and galena overprinted by pyrite between 94.0m to 100.6m which contained units of massive sulphide between 98.9m to 99.1m and 99.9m to 100.9m. True widths are approximately equal to down hole widths.

Another zone of massive sulphide occurred between 129.4m and 130.6m within strong sericite-silica-pyrite alteration below the upper intercept.

Logging of the drill core is continuing and samples will be submitted for assay. In the meantime another drillhole LV5DD008 has commenced to test the continuity of the mineralisation below LV5DD007 within this dilational zone of Tres Amigos.

The details of the drill holes and intersections are listed in Table 1 below.

Hole ID	Coordinates (WGS 84)	Azi/Dip	From (m)	To (m)	Inters (mdh)	TW* (m)	Comment
LV5DD007	476247.87 mN 3216722.8 mE	235°/ -40°	94.0	100.6	6.6	6.6	1.5m massive sulphide within a stockwork disseminated zone
			129.4	130.6	1.2	1.2	Massive sulphide with pyrite overprint

Table 1 – Drill Hole Summary Information. Note TW* represents an approximate true width of the mineralisation based on structural assessment of contact information and drill orientations.

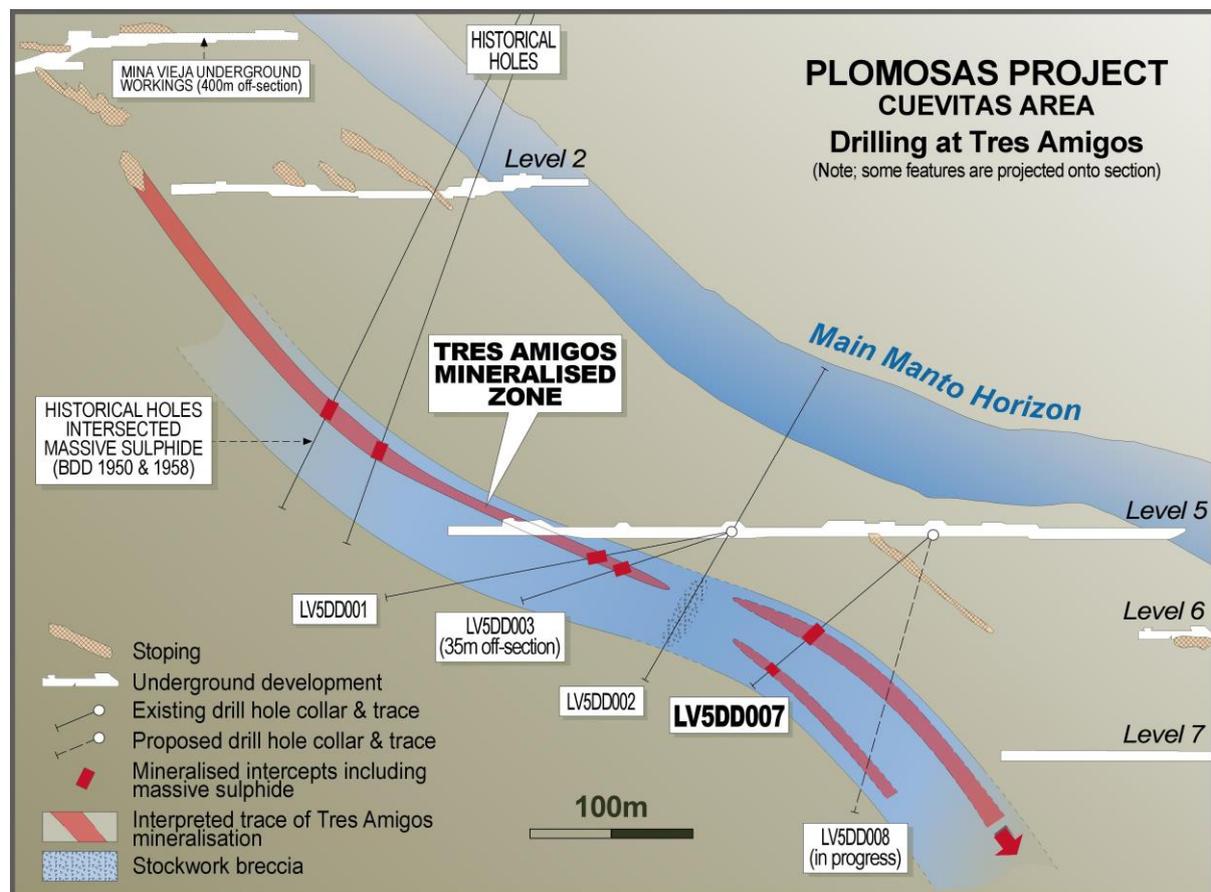


Figure 2: Close up sectional view of the Tres Amigos showing planned and actual drill traces. Note thickening and thinning of mineralised unit with flexures in dip.

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Figure 3: LV5DD007. Massive sulphide from 99.1m to 100.6m in fractured and altered Juarez Limestone unit (Tres Amigos).

The samples will be submitted to ALS Laboratories in Hermosillo, Mexico for base metal assay by ICP-OES and precious metal assay by aqua regia digest. Any samples grading over the upper threshold will be re-assayed

Drilling of the Tres Amigos mineralisation will continue to scope out the extent and the geometry of the mineralisation over the next 4-6 weeks subject to the ongoing drilling results.

In parallel with the continuation of the drilling, detailed surveying and sampling of the semi oxidised mineralisation exposed in Level 7 development will continue prior to the commencement of drilling in this area. It is expected that the drilling program will commence in November.

Managing Director Will Dix commented “The intersection of massive sulphides in this hole is where our model predicted which gives us further confidence in both the developing geological model at Tres Amigos and the planning of additional drilling. We look forward to reporting the final analytical results from these holes to the market when they become available and the continuation of drilling at Tres Amigos which is shaping up as a key component of our forward planning.”

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 and in base metal leases in northern Sweden.

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"> 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 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 	<ul style="list-style-type: none"> CZL system of logging core records lithology,

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Criteria	JORC Code explanation	Commentary
	<p><i>been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples.</p> <ul style="list-style-type: none"> • 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
Sub-sampling techniques and sample preparation	<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.
Quality of assay data and laboratory tests	<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.
Verification of sampling and assaying	<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</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

Criteria	JORC Code explanation	Commentary
	<i>data.</i>	in a Micromine based system. Manual backups are routinely carried out.
<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"> • 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. • 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"> • 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"> • 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 been established at 80 metre intervals to allow for adequate drill spacing. • No sample compositing has been applied
<i>Orientation of data in relation to geological structure</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. • 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. 	<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"> • The measures taken to ensure sample security. 	<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"> • The results of any audits or reviews of sampling techniques and data. 	<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.