



8 July 2009

CBH Announces Recapitalisation Initiatives

CBH Resources Limited (ASX: CBH) is pleased to announce several major initiatives to recapitalise the Company and provide further funding for its Endeavor Mine at Cobar and Rasp Project at Broken Hill.

Major Recapitalisation Initiatives:

- **Toho \$40 million Standby Loan Facility**
- **Share Purchase Plan**
- **Toho and Institutional Share Top-Up Facility**

Together with unrestricted cash on hand of approximately \$30 million, access to the \$40 million in funding from Toho and the amount raised under the SPP and Share Top-Up Facility, CBH expects to be able to aggressively pursue the development of its Rasp Project and position the Company to substantially increase metal production at its flagship Endeavor Mine.

The Toho Standby Loan underpins these recapitalisation initiatives, ensuring the financial viability of the Company.

Toho \$40 million Standby Loan Facility

Toho Zinc Co., Ltd ("Toho"), CBH's largest shareholder at 28.6%, has entered into an agreement to make available \$40 million to the Company under a committed standby loan facility.

Toho will provide CBH with the 3 year loan facility at a 5% fixed interest rate to be secured over CBH's Rasp Project and the Newcastle Shiploader.

Under the terms of the loan, there are a number of options available to CBH to discharge the amount borrowed, as follows:

- CBH may repay the loan in cash in full within 3 years, in which case CBH will retain 100% of Rasp; or
- CBH may repay \$10m of the loan within 3 years and transfer a 50% interest in Rasp to Toho; or
- CBH may elect not to repay the loan in cash, in which case it will transfer a 72.7% interest in Rasp to Toho.

CBH and Toho will enter a joint venture in relation to Rasp should CBH elect to discharge the loan via either of the options involving a transfer of an interest in Rasp.



Share Purchase Plan

CBH is pleased to announce the launch of a Share Purchase Plan ("SPP") to allow shareholders in Australia and New Zealand the opportunity to subscribe for additional shares in CBH. The SPP will allow shareholders to subscribe for up to \$15,000 worth of CBH shares at 10 cents per share, representing a 24.5% discount to the volume weighted average sale price of CBH shares on the ASX trading days within the last 30 days up to and including 3 July 2009.

The Record Date for participation in the SPP is 7.00pm (Sydney time) today. It is anticipated offer documents will be dispatched to eligible shareholders on Monday 13 July 2009.

Toho and Institutional Share Top-Up Facility

Following completion of the SPP, Toho and certain institutional investors will have the opportunity to subscribe for additional CBH shares to maintain their current percentage holdings in the expanded capital of the Company (Share Top-Up Facility). Any shares subscribed for under this facility will be issued at the same price as the SPP (10 cents per share).

Proceeds from these new funding initiatives will be used to recapitalise the Company to enable it to undertake further mine development at the Endeavor Mine - a prerequisite to increasing production when metal prices stabilise - and to pursue the development of the Rasp Project. Earlier this month, CBH announced a major upgrade to the mineral resource at Rasp.

Managing Director, Stephen Dennis said he was pleased that the Company would be adequately funded to pursue development of its core projects. Mr Dennis also acknowledged the support CBH had received from Toho.

"This funding commitment further strengthens the relationship between CBH and Toho and is an endorsement of the significant unrealised value of our assets, particularly the Rasp Project," said Mr Dennis.

"We are delighted to be able to offer all our shareholders the opportunity to participate in this equity raising and participate in the future growth of the Company" he said.

The Toho Standby Loan and the Share Top-up Facility are subject to CBH shareholder approval, to be sought at a meeting expected to be convened on 31 August 2009. Shareholders will also be asked at the same meeting to approve the issue of shares for the SPP so that the limitations that usually apply to an SPP (30% issued capital limit and 20% discount limit) will not apply.

The Toho Standby Loan is subject to the completion of definitive documentation and will also be conditional on all necessary regulatory and government approvals.

Gryphon Partners has acted as financial adviser to CBH in relation to these transactions.



About CBH

CBH Resources Ltd is an ASX listed company that owns and operates the Endeavor Zinc/Lead/Silver Mine at Cobar, NSW. The Endeavor Mine currently produces at a rate of 420,000 tonnes of ore per annum. It employs approximately 120 people. CBH also owns the Rasp Project at Broken Hill in NSW, and the Panorama Copper/Zinc Project in WA and operates a mineral concentrates Shiploader facility at Newcastle.

About Toho

Toho Zinc Ltd is headquartered in Japan and manufactures zinc related products, smelts nonferrous metals (lead and zinc) and produces electronic components. Toho is currently the largest shareholder in CBH.

Indicative timetable – key dates

SPP Record Date	8 July 2009 (7.00pm Sydney time)
SPP Opening Date	13 July 2009
SPP Closing Date	31 July 2009
Date of EGM to Approve Toho Standby Loan, Share Top-Up Facility and SPP issue	31 August 2009
Issue of shares under the SPP	31 August 2009
Despatch date for holding statements	31 August 2009
Quotation of shares on ASX	01 September 2009

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