



27 April 2010

Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

CBH Independent Committee Unanimously Recommends Takeover Proposal from Toho Zinc Co., Ltd. of \$0.24 per CBH Share

The Company has today received a takeover proposal from Toho Zinc Co., Ltd. ("**Toho**"), to acquire all the shares and convertible notes in CBH Resources Limited ("**CBH**" or the "**Company**") that it doesn't already own, a copy of which is attached (the "**Toho Offer**").

Under the Toho Offer, Toho is offering:

- \$0.24 cash per CBH share; and
- \$1,000 cash per CBH convertible Note.

The Toho Offer is subject to the following conditions:

- a minimum acceptance condition of 90% of CBH ordinary shares. Toho currently owns 24.1% of CBH ordinary shares;
- the entering into of an implementation agreement; and
- Other customary conditions including regulatory approvals.

A committee of CBH Directors independent of Toho (the "**Independent Committee**") **unanimously recommends the Toho Offer**, subject to no superior proposal emerging.

Stephen Dennis, Managing Director of CBH, said: "This offer from CBH's major shareholder, Toho, is very attractive for CBH shareholders, particularly when compared to previous proposals received recently by the Company. It is particularly noteworthy that the Toho Offer is above the Independent Expert's valuation range of \$0.187 to \$0.232 per share¹".

Once an implementation agreement has been agreed, it is Toho's present intention to serve their bidder's statement as soon as practicable. CBH's target's statement (with the Independent Committee's unanimous recommendation to accept the Toho offer) will be provided to shareholders on or around the same time the bidder's statement is served.

Yours sincerely

Stephen Dennis
Managing Director

¹ Disclosed to the market in the Notice of Meeting and Explanatory Memorandum on 30 March 2010.

TOHO ZINC CO., LTD.

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27 April 2010

Mr Stephen Dennis
Managing Director
CBH Resources Limited
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2 Elizabeth Plaza
NORTH SYDNEY NSW 2060

Dear Sir

Proposal for a Takeover Bid

Toho Zinc is pleased to outline in this letter on a confidential basis an indicative, incomplete and non-binding conditional proposal by Toho Zinc to acquire all of the issued shares and convertible notes in CBH Resources Limited (CBH) not already owned by Toho Zinc.

Overview of proposal

Subject to a favourable recommendation by each of the independent CBH directors and an implementation agreement being entered into, Toho Zinc's proposal is to acquire:

- All of the issued shares of CBH not currently owned by Toho Zinc (together with any ordinary shares that are issued up to the date of the acquisition as a result of the exercise of options) by way of a recommended off-market takeover bid for a cash consideration of **24 cents** per share (**Share Offer**).
- All of the convertible notes of CBH not currently owned by Toho Zinc, at their face value of A\$1,000 per note, for cash consideration (**Note Offer**).

Both the proposed Share Offer and the Note Offer would be fully-funded 100% cash offers, which provide certainty of value, and the offers would have minimal conditions.

Benefits for shareholders

Toho Zinc's offer is compelling for CBH shareholders who will receive a substantial premium for their shares in cash.

The proposed Share Offer price of 24 cents per share:

- Represents a **substantial 110.5% premium** to the 12 month volume weighted average price of CBH shares traded on ASX up to and including 11 March 2010, being the date immediately before CBH announced Nyrstar's revised 19.5 cent per share proposal¹.

¹ The 12 month VWAP for the relevant period was 11.4 cents.

- Represents a **substantial 71.4% premium** to CBH's closing share price on 11 March 2010, being the date immediately before CBH announced Nyrstar's revised 19.5 cent per share proposal².
- Represents more than a **23% premium** to the 19.5 cent per share price under the Possible Nyrstar Proposal.
- Is higher than the Independent Expert's valuation range of 18.7 - 23.2 cents per CBH share prior to the completion of the Revised Toho Transaction (on a control basis).

The Proposed Share Offer values CBH's ordinary equity at approximately \$262.7 million and provides CBH shareholders with a compelling opportunity to realise an attractive value for their CBH shares.

Benefits for noteholders

The proposed Note Offer price of A\$1,000 per note:

- Represents a **substantial 120.9% premium** to the 12 month volume weighted average price of CBH notes traded on ASX up to and including 11 March 2010, being the date immediately before CBH announced Nyrstar's revised share and discounted note offer proposal³.
- Represents a **substantial 17.6% premium** to CBH's closing note price on 8 April 2010, being the last trading date immediately before CBH announced Nyrstar's revised proposal to acquire all of CBH's notes⁴.

The Note Offer allows for a more rapid receipt of cash consideration by noteholders compared to relying on the rights to have their notes redeemed in the event of a change of control of the shares.

Minimal offer conditions

The conditions that Toho Zinc anticipates attaching to any potential Share and Note Offer are a 90% minimum acceptance condition in relation to CBH shares and that, before the end of the Offer Period, regulatory approvals for the Offers and change of control are given and there is no Superior Proposal, no material adverse changes, no government action adversely affecting the Offer and no prescribed occurrences.

The Foreign Investment Review Board has advised Toho Zinc that the Treasurer has no objections to the proposed share acquisition. Accordingly, the proposed Offers would not be conditional upon foreign investment approval.

Preconditions - recommendation by independent directors and implementation agreement

The making of any proposed Offers would be subject to the preconditions that each of the independent CBH directors recommends the Offers in the absence of a superior proposal and the signing of an Implementation Agreement on customary terms and conditions.

² The closing share price on 11 March 2010 was 14 cents.

³ The 12 month VWAP for the relevant period was \$452.655.

⁴ The closing CBH note price on 8 April 2010 was \$850.

Indicative timing

Subject to there being no event which triggers a defeating condition, Toho Zinc's present intention is to serve CBH with bidder's statements in relation to the proposed Offers as soon as practicable. Subject to its obligations under the Corporations Act, this timing is indicative and non-binding and Toho reserves the right to change it without notice.

Notification of Third Party Proposals

Toho Zinc requests that until 5.00pm Sydney time on 31 August 2010, CBH informs Toho Zinc as soon as possible of the details of any Third Party Proposal or further approaches by Nyrstar NV or any other person that may reasonably be expected to lead to a Third Party Proposal, whether unsolicited or otherwise, and provides it with regular updates on the status of any such Third Party Proposal or approach, provided that it is not required to do so where that may constitute a breach of the CBH directors' fiduciary or statutory duty.

Improved Proportional Offer

If Toho Zinc proceeds with the Offers set out in this letter, Toho Zinc will not proceed with the Improved Proportional Offer contemplated in its letter of 19 April 2010.

Present intentions

Subject to its obligations under the Corporations Act, Toho Zinc reserves the right to act in its best interests, to make decisions in light of the prevailing circumstances at the time of its decision and to change earlier decisions (including its statements of present intention in this letter), all in its absolute discretion.

Other matters

For the avoidance of doubt, nothing in this letter should be considered to constitute any binding obligation on Toho Zinc to make any offer for CBH shares or notes or otherwise.

This letter contains a confidential proposal and is not for release to the market. If, despite this, it is made public, it cannot be considered to be a public proposal by Toho Zinc to make a takeover bid for any CBH securities for the purposes of section 631 of the Corporations Act 2001.

Until Toho Zinc publicly proposes to make a takeover bid for CBH shares and/or notes, it reserves the right, subject to law, not to proceed with the proposed Offers and to withdraw this proposal at any time without notice.

Yours faithfully



Tejima Tatsuya
President

Schedule 1 - indicative conditions to proposed Offers

Minimum acceptance

- 1 During, or at the end of the Offer Period, the Bidder has a relevant interest in at least 90% of CBH Shares.

No Superior Proposal

- 2 Before the end of the Offer Period, there is no Superior Proposal.

- 3 A **Superior Proposal** means:

- 3.1 a takeover bid for CBH Shares on terms and conditions which are more favourable to CBH Shareholders than the Offer; or
- 3.2 a bona fide Third Party Proposal which the CBH Board determine is more favourable to CBH Shareholders than the Offer.

- 4 A **Third Party Proposal** means any expression of interest, proposal or offer by any person (other than Toho Zinc or any of its associates) to evaluate or enter into any transaction under which:

- 4.1 that person (together with its associates) may acquire a relevant interest in more than 50% of CBH Shares (including an interest by way of swaps or other equivalent instruments);
- 4.2 that person may acquire voting power of more than 50% in CBH or any Related Entity of CBH;
- 4.3 that person may acquire, directly or indirectly (including by way of joint venture or otherwise), any interest in all or a substantial part of the business or assets of CBH or of any Related Entity of CBH;
- 4.4 that person may otherwise acquire control of or merge or amalgamate with CBH or any Related Entity of CBH;
- 4.5 CBH will issue more than 15% of its total share capital as at the date of this agreement as consideration for the assets or share capital of another person; or
- 4.6 CBH will effect or implement any reorganisation, recapitalisation or dissolution.

Approvals by Government Agencies

- 5 During the Offer Period:
 - 5.1 the Bidder receives all licences, authorities, consents, approvals or waivers (**Approvals**) (other than the foreign investment approval) which are required by law or by any Government Agency to permit the Offer to be made to and accepted by securityholders in all applicable jurisdictions;

- 5.2 the Bidder receives all Approvals which are required by law or by any Government Agency as a result of the Offer or the successful acquisition of securities and which are necessary for the continued operation of the business of CBH and its subsidiaries,

and, in each case, those Approvals are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication to revoke, suspend, restrict, modify or not renew the same, and all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under applicable laws or regulations of any relevant jurisdiction have expired, lapsed or been terminated (as appropriate).

No Material Adverse Change

- 6 Between the [date of this letter] and the end of the Offer Period, no event occurs or is announced which, individually or when aggregated with all such events, has or is likely to have a material adverse effect on the business, assets, liabilities, financial or operating position, profitability or prospects of CBH (after taking into account any matters which offset the impact of the event or events giving rise to the adverse effect), other than:

- 6.1 anything which is fully and fairly disclosed in an ASX filing by CBH prior to the [date of this letter]; or
- 6.2 a change in generally accepted accounting principles or the interpretation of them.

No action by government agency adversely affecting the Offer

- 7 Between the [date of this letter] and the end of the Offer Period:
- 7.1 there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- 7.2 no action or investigation is instituted by any Government Agency; and
- 7.3 no application is made to any Government Agency (other than by the Bidder) or commenced by a Government Agency,

in consequence of, or in connection with, the Offer (other than an application, decision or order made under, or relating to a breach of, Chapters 6, 6A, 6B or 6C of the Corporations Act or unacceptable circumstances for the purposes of the Corporations Act), which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of securities under the Offer or the rights of the Bidder in respect of its capacity as a securityholder in respect of the Company and the securities to be acquired under the Offer or otherwise, or seeks to require the divestiture by the Bidder of any securities, or the divestiture of any assets of the CBH or by any subsidiary of CBH or by any member of the Bidder Group.

Prescribed Occurrences

- 8 Before the end of the Offer Period, none of the following Prescribed Occurrences occur:
- 8.1 CBH converting all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
 - 8.2 CBH or a subsidiary of CBH resolving to reduce its share capital in any way;
 - 8.3 CBH or a subsidiary of CBH:
 - 8.3.1 entering into a buyback agreement; or
 - 8.3.2 resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
 - 8.4 CBH or any company in which CBH holds more than 50% of the issued shares making an issue of Shares or granting an option over the Shares or agreeing to make such an issue or grant such an option other than pursuant to the conversion of Notes or as a result of any permitted exercise of options awarded under CBH's Executive Performance Share Plan;
 - 8.5 CBH or a subsidiary of CBH issuing, or agreeing to issue, convertible notes;
 - 8.6 CBH or a subsidiary of CBH disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - 8.7 CBH or a subsidiary of CBH charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
 - 8.8 CBH or a subsidiary of CBH resolving that it be wound up;
 - 8.9 the appointment of a liquidator or provisional liquidator of CBH or of a subsidiary of CBH;
 - 8.10 the making of an order by a court for the winding up of CBH or of a subsidiary of CBH;
 - 8.11 an administrator of CBH or of a subsidiary of CBH being appointed under section 436A, 436B or 436C of the Corporations Act;
 - 8.12 CBH or a subsidiary of CBH executing a deed of company arrangement; or
 - 8.13 the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of CBH or of a subsidiary of CBH.