



16 March 2010

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

Dear Sir / Madam

Revised Proposal from Toho Zinc Co., Ltd.

Following market close on 15 March 2010, the Company received a revised proposal ("**Revised Toho Proposal**") from its major shareholder, Toho Zinc Co., Ltd. ("**Toho**"). This is a revision to the previous Toho proposal involving transactions relating to the Rasp Project ("**Rasp Transactions**"), which was endorsed by the Board of the Company on 21 January 2010 and which was to be put to CBH shareholders at a general meeting on 30 March 2010.

The Revised Toho Proposal has been put forward by Toho in response to the revised proposal ("**Revised Nyrstar Proposal**") received by the Company from Nyrstar NV ("**Nyrstar**") on 12 March 2010 and which was disclosed to shareholders on that date.

A copy of the Revised Toho Proposal is attached.

Under the Revised Toho Proposal, the proposed placement of 50 million CBH shares to Toho at 20 cents per share would not proceed. Instead, Toho would make a proportional takeover offer to all CBH shareholders (excluding Toho) for CBH ordinary shares at 25 cents per share, so that Toho would have a relevant interest in not more than 49.9% of total issued shares of CBH. The other aspects of the original Toho proposal would be retained. The proportional takeover offer would be subject to a precondition that shareholders have approved the Rasp Transactions (other than the placement referred to above).

Toho states that it is a 24.1% shareholder in the Company and a holder of 50.6% of the Company's convertible notes, and its "present intention is that it would not support the Revised Nyrstar Proposal, either as a shareholder or noteholder. As a result, Toho Zinc believes that Nyrstar's Revised Proposal in its present form would



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fail and that it therefore does not represent a genuine or realistic alternative to the Rasp Transactions.”

Toho has advised CBH that, should the precondition for the proportional takeover offer be met, it will be applying to the Australian Securities and Investments Commission for a modification of sections 618(2) and 653B of the Corporations Act 2001 (Cth) to prevent CBH shareholders from being able to split their holdings or acquire small parcels of CBH shares to take advantage of the mechanism outlined in section 618(2) of the Corporations Act.

On the basis of receipt of the Revised Toho Proposal and the Revised Nyrstar Proposal, CBH intends that the general meeting of CBH shareholders scheduled for 30 March 2010 will not now consider the resolutions set out in the notice of meeting.

A committee of Directors independent of Toho is currently assessing the merits of both the Revised Toho Proposal and Revised Nyrstar Proposal and a recommendation will be made to shareholders as soon as practicable.

Yours sincerely,

Stephen Dennis
Managing Director

TOHO ZINC CO., LTD.

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15 March 2010

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

Dear Sir

Response to Revised Proposal by Nyrstar NV

Toho Zinc Co., Ltd (Toho Zinc) notes CBH's announcement of 12 March 2010 that it has received a revised proposal from Nyrstar NV (**Revised Nyrstar Proposal**).

Rasp Transactions

Toho Zinc is a committed shareholder and believes that it is in the best interests of all CBH shareholders for CBH to develop the Rasp Project and to de-leverage and recapitalise CBH, in accordance with the package of initiatives announced by CBH on 21 January 2010 (**Rasp Transactions**).

Toho Zinc believes that the Rasp Transactions will:

- Substantially clear CBH's existing debt and strengthen its balance sheet.
- Assist CBH to develop the Rasp Project and to fund its share of the Rasp Project through CBH's strengthened balance sheet and with Toho Zinc's commitment to support CBH to secure debt funding.
- Enable CBH to unlock the significant underlying value of the Rasp Project and allow existing CBH shareholders to participate in that value.

Revised Nyrstar Proposal

Toho notes that the Revised Nyrstar Proposal is highly conditional. In particular, it is conditional upon:

- Due diligence by Nyrstar.
- The negotiation of a Scheme Implementation Agreement including (amongst other things) reaching an agreement with Nyrstar in relation to:
 - its proposed alternative scrip consideration for CBH shares and notes. Nyrstar has not provided any indication of what value it would seek to put on its scrip; and
 - its proposed terms and conditions of cancellation of all CBH options on issue.

- CBH shareholder approval under a scheme of arrangement.
- CBH noteholder approval under a separate scheme of arrangement for the acquisition by Nyrstar of CBH notes at a deep discount of 25% of their face value.

Toho Zinc also notes that Nyrstar has not made any financial commitment to CBH and does not appear to have acquired any shares in CBH.

Toho Zinc's present intentions

Toho Zinc believes that the Revised Nyrstar Proposal in its current form requires Toho Zinc's support to be successful.

The proposed acquisition of shares by Nyrstar would require the approval of more than 50% in number of CBH shareholders present and voting at the shareholder scheme meeting who represent at least 75% of the votes cast. In addition, the proposed deeply discounted acquisition of CBH notes would require the approval of more than 50% in number of CBH noteholders present and voting at the noteholders scheme meeting who represent at least 75% in value of the note debt.

As of 11 March 2010, Toho Zinc held a relevant interest in approximately 24.1% of CBH's shares and in approximately 50.6% of CBH's notes.

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, all in its absolute discretion.

Subject to the above reservation, Toho Zinc's present intention is that it would not support the Revised Nyrstar Proposal, either as a shareholder or noteholder.

As a result, Toho Zinc believes that Nyrstar's Revised Proposal in its present form would fail and that it therefore does not represent a genuine or realistic alternative to the Rasp Transactions.

Revised Toho Zinc Proposal

Toho Zinc recognizes that, in their current form, the Rasp Transactions do not directly provide liquidity for CBH's shareholders.

Accordingly, Toho Zinc would be willing to provide some liquidity by making a proportional takeover offer (**Proportional Bid**) for shares in CBH at an offer price of **\$0.25 per share**.

The proposed placement which currently forms part of the Rasp Transactions, would not proceed and be omitted.

The Proportional Bid would be structured so that, after the implementation of the Rasp Transactions (excluding the placement) and assuming Toho Zinc's proportional offers were taken up by all eligible CBH shareholders, Toho Zinc would have a relevant interest in not more than 49.9% of the total issued shares of CBH.

Based on our indicative calculations, the Proportional Bid would be for approximately 26.5% - 28.5% of all shares held by CBH shareholders other than Toho Zinc, depending on the number of small CBH shareholders.

Toho Zinc presently intends to make the Proportional Bid only if CBH shareholder approval is given for the Rasp Transactions (excluding the placement) and, without limiting its discretions set out earlier in this letter, reserves the right not to proceed with the Proportional Bid if CBH directors recommend an alternative proposal.

The proportional offers made under the bid would be conditional on completion of the Rasp Transactions (excluding the placement), foreign investment approval, no material adverse change and no prescribed occurrences.

Toho Zinc believes that the Revised Toho Zinc Proposal provides CBH and CBH shareholders:

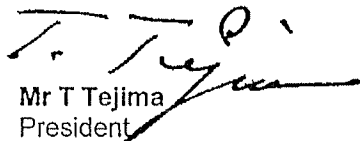
- With all of the benefits of the original Toho Zinc proposal (such as being able to participate in the value of the developed Rasp Project);
- Plus an opportunity for CBH shareholders to realize part of their investment immediately at a significant premium and more than 28% above the 19.5 cents offered under the Revised Nyrstar Proposal.

Status of this letter

This letter is confidential and non-binding and is not intended to and does not constitute an offer. The Revised Toho Zinc Proposal is and will remain incomplete until such time as Toho Zinc and CBH reach a mutual agreement on the terms and implementation of the transactions contemplated in the Revised Toho Zinc Proposal. For the avoidance of doubt, this letter is not and cannot be considered to be notification of a proposal to make a takeover bid under section 631 of the Corporations Act.

We look forward to your response to this letter.

Yours faithfully


Mr T Tejima
President