



ASX/Media Release

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## CBH RECOMMENDS THE REVISED TOHO PROPOSAL

As announced to the market on 12 March 2010, a committee of Directors of CBH Resources Limited (“**CBH**” or the “**Company**”), independent of Toho Zinc Co., Ltd (“**Toho**”) (“**Independent Committee**”) was established to assess the merits of a proposal from Nyrstar NV (“**Nyrstar**”) received on 12 March 2010 (“**Revised Nyrstar Proposal**”) and subsequently a revised proposal from Toho received on 15 March 2010 (“**Revised Toho Proposal**”).

As a result of that assessment, the Independent Committee has reached the following position:

### Revised Nyrstar Proposal

The offer by Nyrstar to acquire CBH ordinary shares outlined in the Revised Nyrstar Proposal is conditional on Nyrstar successfully acquiring 100% of CBH’s convertible notes (“**Notes**”), through a scheme of arrangement. Toho, which holds 50.6% of Notes outstanding, has advised the Company it will not support the Nyrstar Revised Proposal, either as a Noteholder or shareholder. Given the voting thresholds that apply under a scheme of arrangement, the Notes scheme of arrangement would clearly fail. Furthermore, Nyrstar has proposed interdependent Notes and share schemes of arrangement, which means that if the Notes scheme of arrangement is not approved by Noteholders, the share scheme also fails.

The Independent Committee considers that the Revised Nyrstar Proposal cannot be successful in its current form, and does not recommend the proposal to CBH Shareholders.

### Revised Toho Proposal

The Independent Committee has endorsed the Revised Toho Proposal and recommends it to CBH shareholders, subject to no superior proposal emerging.

In summary, the Revised Toho Proposal will involve:

- CBH shareholder approval for the Rasp Transactions being the sale of a 50% interest in the Rasp Project at Broken Hill to Toho for \$57.5 million, the establishment of a joint venture for the ownership and development of the Rasp Project, and the sale of the Company’s 50% share of zinc and lead concentrates from the Rasp Project to Toho for the life of the Rasp Project;;
- Subject to the precondition that the Rasp Transactions are approved, Toho making a proportional takeover offer (“**Proportional Bid**”) for ordinary shares in CBH 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 Proportional Bid will be subject to customary conditions, such as Foreign Investment Review Board approval.



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Subject to the precondition that the Rasp Transactions are approved, CBH will make an offer of \$500 in cash and 1,800 CBH shares per CBH Note for all of CBH's outstanding Notes ("Note Offer"). Toho has agreed to tender all of its Notes into the Note Offer. Shares issued pursuant to acceptances under the Note Offer will not be capable of being tendered into the Proportional Bid.

The Revised Toho Proposal has a number of other benefits:

- It provides CBH shareholders with the ability to sell a significant proportion of their shares (presently expected to be approximately 26.5% to 28.5%<sup>1</sup>) at a premium of:
  - 28% to the Revised Nyrstar Proposal of 19.5 cents per CBH share;
  - 78.6% to the closing price of 14.0 cents per CBH share on 11 March 2010<sup>2</sup>; and
  - 94.1% to the 30 day VWAP of 12.9 cents per CBH share<sup>3</sup>.
- It provides CBH shareholders with continued exposure to CBH's future operational activities, including the development and operation of the Rasp Project and the existing Endeavor Mine
- It provides CBH shareholders with exposure to a substantially de-levered Company.

"Toho's revised proposal will provide CBH shareholders with the best of both worlds. Shareholders will be able to receive significant near term gains on a portion of their CBH shares, and they will also have the opportunity to participate in the future growth of the Company through the development of the Rasp Project and the planned increase in production at the Endeavor Mine. The de-levering of the Company, along with Toho's undertaking to support CBH in financing the Rasp Project, will also ensure that this important new mine is brought quickly into production " CBH's Managing Director, Stephen Dennis said.

## Timetable

CBH currently anticipates that by the end of March 2010 it will despatch a revised Notice of Meeting and Independent Expert's Report to shareholders seeking the approval for the Rasp Transactions. The shareholders meeting is now expected to take place in late April 2010. Toho intends to make its Proportional Bid only if the Rasp Transactions are approved by shareholders and Toho has reserved its right not to proceed with the Proportional Bid if CBH Directors recommend an alternative proposal

CBH is being advised by RBC Capital Markets and Clayton Utz.

## For further information, please contact:

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<sup>1</sup> Toho has not yet determined the precise proportion of CBH shares which will be subject to the Proportional Offer. The 26.5% to 28.5% range is referred to in the Revised Toho Proposal released by CBH to ASX on 16 March 2010.

<sup>2</sup> 11 March 2010, the trading day prior to receipt of the Revised Nyrstar Proposal

<sup>3</sup> 30 days up to and including 11 March 2010