

ASX ANNOUNCEMENT

6 September 2012

Further project funding

CWH draws shareholders' attention to the following important matters.

On 3 September 2012 CWH Resources Limited (ASX:CWH) announced that it has entered into funding arrangements with Jade Deluxe Holdings Limited (**Jade**), whereby Jade has agreed to advance CWH the sum of AUD \$12 million at an eight per cent per annum interest rate, for the purpose of CWH acquiring further exploration assets. In the announcement dated 3 September 2012 it was indicated that Jade was a Cayman Islands company. It is, in fact, a British Virgin Islands company.

CWH is in discussions for the acquisition of Peko tenements in the Northern Territory. CWH expects that \$12 million loan from Jade will more than fully fund that acquisition. The details of the negotiations remain confidential.

Further, CWH is pleased to announce that it has entered into terms for further funding in the amount of US\$37.5 million to be available for development of the Peko tenements, if acquired, and subject to fulfilment of certain conditions precedent, including the Peko acquisition.

The further funding arrangements involve Shaanxi Lianshi Mining Co Ltd, (a Chinese company listed on the Shenzhen Stock Exchange), Mr Zhang Zheng (Chairman and major shareholder of Shaanxi Lianshi Mining Co) and Jade (collectively the **funders**). If the conditions precedent are met, the further funding will be invested by way of equity into a newly formed CWH subsidiary that is based in Hong Kong and which currently has no operations (**CWH (HK) Resources**). The further funding would be used to finance exploration and development of the Peko tenements, if they are successfully acquired.

Pursuant to the arrangements, there would be no dilution of shareholders of CWH, although profits from the potential Peko asset would obviously be shared with the funders. Under the agreed terms, CWH would retain a 25 per cent equity interest in CWH (HK) Resources (and any profits from the Peko asset), after investment of \$37.5 million into CWH (HK) Resources by the funders. CWH would retain control over the development of the resource.

The further funding arrangements are subject to certain factors, including satisfaction of conditions precedent (including the acquisition of the Peko tenements), shareholder approvals (where required under the ASX Listing Rules or the rules of the Shenzhen Stock Exchange) and regulatory approvals from Chinese authorities, and possibly the Foreign Investments Review Board.



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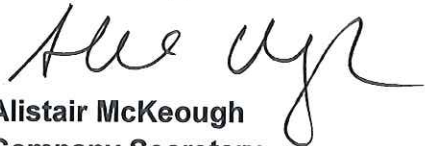
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Yours faithfully,



Alistair McKeough
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Important note

This announcement contains or may contain forward-looking statements that are based on the Company's beliefs, assumptions and expectations and on information currently available to management. That information may include information provided to the Company by other parties which has not been independently verified. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company's expectations with respect to potential revenues, costs, profitability and financial performance. The Company believes that forward-looking statements are reasonable as and when made.