

ASX Release

31 JULY 2013

June 2013 Quarterly Activities Report



Highlights

- 889,945oz silver produced in the first year
- 311,573oz June quarter production
- Ball mill installation completed, fully integrated into circuit
- Third silver hedging commitment of 180,000oz closed out
- \$12.2M entitlement offer completed

Cobar Consolidated Resources today released its June 2013 quarterly activities report.

Wonawinta Silver Mine

Operating Statistics	Unit	Sep '12	Dec '12	Mar '13	Jun '13	Year ended June '13
Mine production						
Waste mined	BCM	801,000	737,000	474,000	242,000	2,254,000
Ore mined	t	129,035	198,820	204,290	236,132	768,277
Mined grade - silver	g/t	72	90	97	94	90
Mined grade - lead	%	1.4%	1.7%	0.8%	1.0%	1.2%
Processing Plant						
Ore processed	t	75,561	177,919	171,398	199,158	624,036
Ore grade - silver	g/t	83	90	101	89	93
Ore grade - lead	%	0.8%	1.6%	1.4%	1.1%	1.3%
Recovery - silver	%	90%	80%	79%	80%	81%
Contained Silver In Dore	oz	76,850	277,473	231,253	304,369	889,945
Silver sold	oz	52,166	261,911	254,268	311,573	879,917
Average silver price received	A\$/oz	31.89	29.60	28.96	27.50	28.80

Notes

1. The tonnes, grade and recovery of ore processed do not reconcile with silver produced due to the build-up of in-circuit stocks. These stocks include; - approximately 646,000 ounces of silver in oversize material which has accumulated since production started in July 2012 and - 16,229oz of silver which was contained in concentrate as at 30 June 2013
2. The average silver price received includes the impact of silver price hedging

Safety

There were no lost time injuries recorded during the quarter and the lost time injury frequency rate on a rolling 12 month basis (per million man-hours worked) is 2.

Mining and Geology

A total of 236,132 tonnes of ore was mined at an average silver grade of 94g/t. All mining was undertaken in the Boundary Pit during the quarter.

About CCR

Cobar Consolidated Resources is the owner and operator of the Wonawinta Silver Mine in western New South Wales. The Company also has a large tenement position on the western margin of the Cobar basin in western New South Wales, which is prospective for discovery of gold, silver, copper lead and zinc.

ASX Code

CCU

Issued capital

329,642,123 shares
2,570,963 options
1,848,138 performance rights
69,925 employee shares (subject to holding lock)

Board

John Dreyer
(Non-executive Chairman)
Gary Armor
(Non-executive Director)
George Lefroy
(Non-executive Director)
Richard Mazzucchelli
(Non-executive Director)

Management

Paul Bibby
(Acting Chief Executive Officer)

Investor enquiries

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In June, mining was suspended for 12 days due to heavy rain. Crushing activity on the ROM pad was also impacted by the rain, significantly reducing June silver throughput.

The results from an infill drilling program were used to complete the pit designs for the southern and western cutbacks of the Boundary Pit, which are the next two mining areas.

A 0.5m lift of the tailings storage facility started during the quarter and was completed in early July.

Processing Plant

During the quarter 199,158 tonnes of ore was processed at an average silver grade of 89g/t silver.

In June, throughput was impacted by a lack of crushed ore due to the suspension of operations in the Boundary Pit as mentioned above.

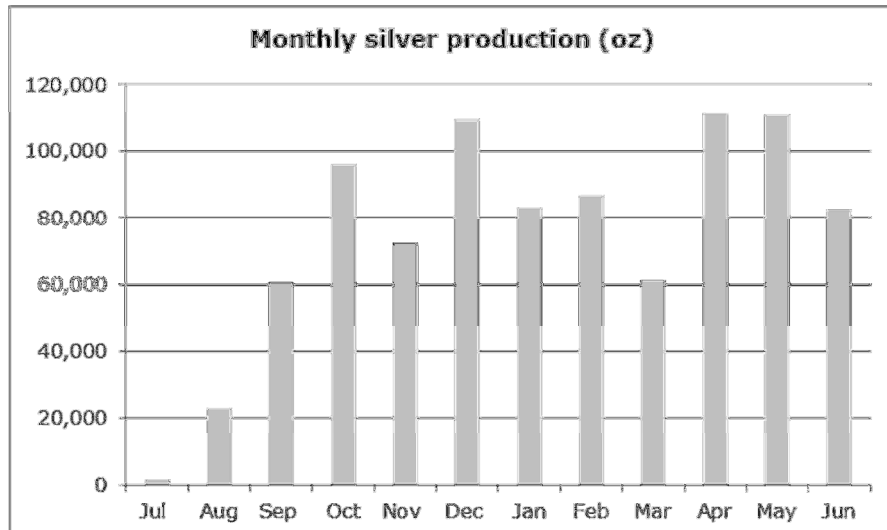
Silver recovery for the quarter was 80%. Lower ore grade, in May and June, contributed to lower silver recoveries.

The plant continued to experience a high rejection level of oversize ore during the quarter, at levels up to 45% of log washer feed. This issue has now been resolved by the integration of the ball mill into the circuit and the Company is on track to ramp up silver production over coming months to the targeted level of 200,000 ounces per month.

A higher capacity retort has been ordered and is due to be installed in late September 2013. The additional retort capacity will eliminate the need to process a proportion of the silver concentrate off site.

The chart alongside shows monthly silver production up to June 2013.

In addition to the 81,555 oz of silver in dore produced in June there was 16,229oz of silver contained in concentrate stock at month end.



Progress in July

Wonawinta mining rates in July were well above plan with a higher than planned tonnage of ore delivered to the ROM pad and crushed ore stocks are building.

Silver production for July is expected to be 115,000oz, a significant step up from June production, reflecting the contribution from the ball mill, minimal rejected ore, and improved plant availability and overall performance. This has all contributed to increased silver loading in the circuit. For July, silver input into the leach circuit was around 175,000oz, a record and well up on the average achieved in the June quarter of 111,000oz, providing a solid platform for August production. Silver sales for July will be in the order of 112,500oz, with some 14,000oz of silver contained in concentrate to be smelted in coming days.



Screen oversize ore – log washer discharge



Oversize ore feed to ball mill



Ball mill



Silver dore bars



Board site visit – 19 July 2013

Left to Right
Paul Bibby – Chief Executive Officer
Richard Mazzucchelli – Non-executive Director
John Dreyer – Non- executive Chairman
Gary Armor – Non-executive Director
George Lefroy – Non-executive Director

Finance

A \$12.2M entitlement offer was completed during the quarter and the cash balance as at 30 June 2013 was \$6.1M. The \$4.9M working capital facility was fully repaid in June. The \$2.5M cost over-run facility will be repaid in December 2013 and the project finance facility repayments will re-commence in January 2014.

The Company closed out its third quarterly 180,000oz silver hedging commitment.