
Cobar Consolidated Resources Limited

ABN 67 118 684 576

ASX Code: CCU



Share Purchase Plan Offer

The Offer closes at 5.00 pm (AEDT time) on 11 March 2014

25 February 2014

Dear Shareholder,

Invitation to participate in Share Purchase Plan

The Directors of the Company (**Directors**) are pleased to offer Eligible Shareholders (as defined below), on a first-come first-served basis or such other basis as determined by the Directors, the opportunity to participate in a Share Purchase Plan (**Share Purchase Plan** or **SPP**) to acquire additional Shares on the terms and conditions enclosed with this letter (**Terms and Conditions**).

Shareholders eligible to participate in the Share Purchase Plan

The right to participate in the offer under the SPP (**SPP Offer**) is optional and is available exclusively to shareholders who are registered as holders of Shares at 7.00pm (AEDT) on the Record Date of 20 February 2014 and whose registered address is in Australia, New Zealand or Singapore (**Eligible Shareholders**).

Share Purchase Plan

The SPP is offering Shares to raise a maximum of \$8 million and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares.

The issue price of new Shares will be based on a 20% discount to the average price of the Company's Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days prior to and including 11 March 2014.

An outline of the SPP is set out in this letter and the enclosed Terms and Conditions. An application form for the SPP Offer (**Application Form**) and reply paid envelope are included in this package.

Use of funds

The funds raised under the SPP will be used by the Company for general working capital.

Details of the Company's current activities are set out in the announcements made by the Company to ASX and are available from ASX, or Company's website at www.cclimited.com.au.

How much can you invest?

Eligible Shareholders may only acquire a maximum of \$15,000 worth of Shares under the SPP.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the SPP Offer:

	Total amount payable
Offer A	\$15,000
Offer B	\$10,000
Offer C	\$5,000
Offer D	Any other amount

Application procedure

If you would like to participate in the SPP Offer, you can do so using one of the following methods:

- *Application Form and accompanying cheque or money order*

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Cobar Consolidated Resources Limited**” and crossed “**Not Negotiable**”. Payments in cash will not be accepted.

You must ensure your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your Application will be rejected. The Company will not re-present any dishonoured cheques.

Your completed Entitlement and Acceptance Form and cheque must be delivered to the CCU’s Share Registry, Link Market Services, Sydney, no later than **5:00pm (AEDT) on the Closing Date on 11 March 2014**. Entitlement and Acceptance Forms with cheques can be delivered to Link Market Services before 5pm (AEDT) on the Closing Date as follows:

By Hand: Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

By Post: Link Market Services
Reply Paid 3560
SYDNEY NSW 2001

Completed Entitlement and Acceptance Forms and application monies will not be accepted if sent to another address.

- *Payment by BPAY*

If you are paying for your New Shares by Bpay, refer to your personalised instructions on your Entitlement and Acceptance Form. You **DO NOT** need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form when you make payment by Bpay.

Make sure you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings, only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **DO NOT** use the same CRN for more than one of your shareholdings. This can result in your application monies being applied to your entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through Bpay are received by **5:00pm (AEDT) on the Closing Date on 11 March 2014**. Once you have made a payment by Bpay and your application is accepted you cannot withdraw your application for New Shares, except that once \$8 million has been received in applications for the SPP Offer, the Company reserves the right to return your Application Form and/or payment and will not allot any Shares to you.

If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (i) return your Application Form and/or payment and not allot any Shares to you; or
- (ii) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

If you have not received your SPP Offer documentation and personalised Application Form, or require a replacement via post or email, please call:

CCU's Shareholder Information Line on +61 3 9869 8200

Acknowledgement

If you submit a BPAY payment or complete and return the Application Form, you represent to the Company that you have not applied for, or instructed a custodian (as defined in ASIC Class Order 09/425) to apply on your behalf for, Shares with an application price which, when aggregated with the application price for any Shares issued to you or a custodian on your behalf under the SPP Offer or any similar CCU arrangement in the 12 months prior to your application, exceeds \$15,000.

Custodians and nominees

Eligible Shareholders who hold Shares as custodian or nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of risk factors

On the last trading day immediately prior to the announcement date of the SPP Offer, the closing price of the Shares traded on ASX was \$0.105. The market price of Shares in the Company may rise and fall between the date of the SPP Offer and the date that any Shares are issued to you as a result of your application under this SPP Offer.

By making an application under this SPP Offer, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the 5 Day VWAP, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an SPP Offer and the date of issue of Shares under that SPP Offer and that the value of the Shares received under the SPP may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the SPP Offer and consider price movements of Shares in the Company prior to making an application under this SPP Offer.

Additional information

The SPP Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. The Company intends to accept valid applications on a first-come first-served basis or such other basis as may be determined by the Directors. Shares allotted under the SPP will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$8 million. The Company, however, reserves absolute discretion regarding the final amount raised under the SPP.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia, New Zealand and Singapore. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (NZ). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Indicative timetable

Offer Event	Date
Record date for SPP	20 February 2014
SPP Announcement	21 February 2014
Opening date for SPP and despatch of offer booklet	25 February 2014
Closing date for SPP	11 March 2014
SPP shortfall notified (if any) and offer of top up placement (if any)	14 March 2014
Issue and allotment of new shares under SPP and top up placement	21 March 2014
Quotation of new shares on ASX	24 March 2014

These dates are indicative only. The Company may vary the dates and times of the SPP Offer without notice. As valid applications will be accepted on a first-come first-served basis Eligible Shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this letter, do not hesitate to contact CCU's Company Secretary, Ms Claire Miller, on +61 3 9869 8200 or email Information-CCR@ccrlimited.com.au

Yours faithfully,

G A Lefroy
Chairman
COBAR CONSOLIDATED RESOURCES LIMITED

Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Share Purchase Plan (**SPP**) is to offer shareholders of Cobar Consolidated Resources Limited (**CCU** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000. The issue price will be based on a 20% discount to the average price of the Company's Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days prior to and including 11 March 2014, without the need to pay brokerage costs and without the need for the Company to issue a prospectus, upon such terms and conditions as the directors of CCU (**Directors**), in their absolute discretion, see fit.

Shareholders eligible to participate

Holders of Shares that are registered with an Australian, New Zealand or Singapore address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the SPP, unless such registered shareholder holds shares on behalf of another person who resides outside Australia, New Zealand or Singapore. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP. Participation in the SPP is optional and is subject to these Terms and Conditions. Offers made under the SPP are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the SPP). An offer may, at the discretion of the Directors, be made under the SPP once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the SPP and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (**Custodian**) (as defined in either ASIC Class Order [CO 09/425] (refer below) or in

any other ASIC relief granted to CCU in relation to the SPP), you may apply for up to the maximum number of new Shares for each beneficiary for whom you act as Custodian provided you annexe to your Application Form a certificate to CCU (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are residents in Australia or New Zealand (each a **Participating Beneficiary**) at 7.00pm (AEDT) on 20 February 2014 who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- that the application price for Shares applied under the SPP Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as Custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a Custodian if:

- you hold an Australian financial services licence that covers the provision of a custodian or depositary service, or includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- you are exempt under:

- paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth) (**Regulations**); or
- paragraph 7.6.01 (1) (na) of the Regulations; or
- ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
- ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
- an individual instrument of relief granted by ASIC in terms similar to one of the class orders referred to in the preceding paragraph; or
- paragraph 911A(2)(h) of the *Corporations Act 2001* (Cth),

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or

- you are the trustee of a self-managed superannuation fund or a superannuation master trust as defined in ASIC Class Order [CO 09/425]; or
- you are a responsible entity of an IDPS-like scheme as defined in ASIC Class Order [CO 09/425]; or
- you are noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact Link Market Services at any time from 9.00am to 5.00pm (AEST or AEDT, whichever is applicable) Monday to Friday during the SPP Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company

reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares to be issued under the SPP will be based on a 20% discount to the average price of the Company's Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days prior to and including 11 March 2014.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for CCU Shares under the SPP, and accompanied by these Terms and Conditions of the SPP and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer will be refunded without interest. Notices and statements made by the Company to participants may be given in any manner prescribed by its constitution.

Issue of CCU Shares

Shares to be issued under the SPP will be issued as soon as reasonably practicable after the closing date specified by the Directors in the SPP Offer.

Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in CCU from the date of issue.

Shareholding statements or CHES notification will be issued in respect of all Shares issued under the SPP. The Company will, promptly after the issue of Shares under the SPP, make application for those Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the SPP

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination. Without limiting the

above, the Company may issue to any person fewer Shares than the person applied for under the SPP if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale back

The amount to be raised is approximately \$8 million. The Company, however, reserves absolute discretion regarding the final amount raised under the SPP. Applications will be accepted on a first-come first-served basis or such other basis as determined by the Directors. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.

Questions and Contact Details

If you have any questions regarding the SPP or how to deal with this SPP Offer, please contact your stockbroker or professional adviser or the Company on +61 3 9869 8200.

ASX Release

21 February 2014
Capital Raising



Highlights

- \$8M Share Purchase Plan
- Patersons appointed Lead Manager to the SPP
- Improving production outlook at Wonawinta silver mine
 - 95% plant availability
 - 82% silver recoveries
 - 200,000oz per month average silver production from March onwards
- 5 year mine life
- 15% lift in silver price
- New Board and Management strengthening finances

The Directors of Cobar Consolidated Resources Limited are pleased to announce the opportunity for existing eligible shareholders to participate in a Share Purchase Plan (SPP) to raise \$8M.

The \$8M is designed to provide working capital so as to ensure that the Company is on an even footing as it systematically improves production and costs while reducing its exposure to the CBA by \$2.6M, which includes previously deferred principal repayments.

Patersons Securities Limited (Patersons) has been appointed as Lead Manager to the SPP and is in discussions to underwrite the SPP.

The Company has also today released a revised resource reserve statement showing a proven and probable ore reserve of 9Moz of silver. Together with low grade stocks to be processed after the ore reserves are consumed, at current production rates this supports a 5 year mine life. Details of the revised resource reserve are contained in an ASX release which immediately follows this release.

The production outlook at the Company's flagship asset, the Wonawinta Silver Mine is improving. Plant availability has achieved 95% over past months and silver recoveries have averaged 82% over the same period. Silver production of 205,000oz was achieved in December and commercial production was declared.

As foreshadowed in the Company's December quarterly report January silver production of 99,114oz was impacted by lower ore throughput and feed grades. February silver production has been impacted by unplanned downtime with the retort and by a planned reline of the ball mill.

The leaching and elution circuit is operating well and a stock of silver filter cake has accumulated, which is being processed now that the retort is back on line.

The Company expects that from March onward the processing plant will be treating Manuka ore and Wonawinta should achieve forecast production rates

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

329,715,353 shares
2,570,963 options
3,428,485 performance rights
465,785 employee shares (subject to holding lock)

Board

George Lefroy
(Non-executive Chairman)
Daniel L Laurante
(Non-executive Director)
Kevin Tuckwell
(Non-executive Director)

Management

Paul Bibby
(Chief Executive Officer)

Investor enquiries

Trevor Shard
T (03) 9869 8200

Cobar Consolidated Resources Limited

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Melbourne VIC 3004
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Melbourne VIC 3004

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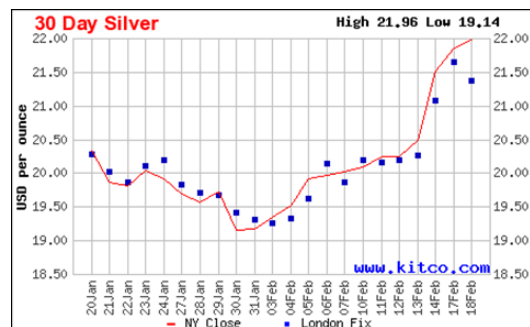
W www.cclimited.com.au

averaging 200,000ozs per month and at cash costs that would result in positive cash generation at the current silver price.

As announced in December two new directors have been appointed along with a new Chief Financial Officer. The new Board and Management group have assessed the Company's current financial position and announced the \$8M capital raising.

Over the past fortnight the silver price has strengthened by 15% as shown. The strengthening silver price along with the gold price has seen renewed buying interest in gold and silver equities.

The Silver Institute recently reported that strong investment demand for silver coins in 2013 had continued in the early weeks of 2014.



Capital Raising - Share Purchase Plan

The Company will be making an offer to existing eligible shareholders of new shares under a Share Purchase Plan (SPP). Shareholders on the share register as at 20 February 2014 with a registered address in Australia, New Zealand or Singapore will be eligible to participate in the SPP.

Eligible shareholders will be offered up to \$15,000 worth of new shares each at a discount of 20% to the average price over the 5 days up to and including the closing date of the offer period. The amount to be raised under the SPP is capped at \$8M however the Company reserves the right to accept over-subscriptions above this amount at its discretion as permitted by the ASX Listing Rules.

The indicative timetable for the Share Purchase Plan (SPP) is set out below.

Offer Event	Date
Record date for SPP	20 February 2014
SPP Announcement	21 February 2014
Opening date for SPP and despatch of offer booklet	25 February 2014
Closing date for SPP	11 March 2014
SPP shortfall notified (if any) and offer of top up placement (if any)	14 March 2014
Issue and allotment of new shares under SPP and top up placement	21 March 2014
Quotation of new shares on ASX	24 March 2014

Details of the SPP will be contained in an Offer Booklet which will be mailed to shareholders on 25 February 2014.