

ASX Release

5 March 2014

Investor Presentation



Highlights

- Updated investor presentation
- Refinancing CBA loan underway

Cobar Consolidated Resources Limited today released an updated investor presentation. The updated presentation will be used by the Company and Patersons Securities as they talk to current shareholders and prospective investors about the Share Purchase Plan (SPP) over coming days.

In its ASX release of 26 February 2014, the Company advised shareholders that Commonwealth Bank of Australia (CBA) had notified the Company it seeks repayment of the outstanding amounts under its finance facility by 30 June 2014. The amount owing to CBA under the project finance facility is \$10M, and after repayments from the SPP this falls to \$7.4M. In addition, CBA has provided a security guarantee for \$5.5M for the Company's rehabilitation obligations under its mining lease.

Following the advice from CBA, discussions have started with a number of parties to refinance the project finance facility and provide the necessary security guarantee.

The Company has been encouraged by the level of interest that has been shown and believes there is adequate time between now and 30 June 2014 to have alternate financing arrangements in place.

Following early completion of the ball mill re-line as reported on 26 February, the processing plant has been operating at capacity and high levels of availability have been achieved.

The pricing period for the Share Purchase Plan begins today and shareholders are reminded that the offer is expected to close on 11 March 2014.

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 Laurente
(Non-executive Director)
Kevin Tuckwell
(Non-executive Director)

Management

Paul Bibby
(Chief Executive Officer)

Investor enquiries

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Investor presentation

March 2014



Investment highlights

- **Wonawinta silver expected to be at full production ~200,000oz per month, from March 2014 onwards**
- **Largest ASX pure silver play – leverage to silver price**
- **Attractive operating margin –
FY15 operating cash cost target A\$18.50/oz**
- **Targeting a long term operating cost of A\$16/oz**
- **Silver price has strengthened 15% in recent weeks**
- **5 year mine life**
 - 9Moz Ag proven and probable ore reserve estimate, >1Moz incidental stocks
- **Substantial mineral resource**
 - 59Moz Ag measured, indicated and inferred resource
- **Silver and base metal exploration upside**
- **Board and management team renewed**
- **Target to be free of project debt by H1 FY15**

Corporate overview

> ASX:CCU

> 330M shares on issue

- 2.6M options, 3.4M performance rights
- 465,785 employee shares

> \$20M market capitalisation

> Turnover

- 30 days – 15M shares
- 3 months – 48M shares
- 1 year – 153M shares

> Price range

- 12 month high \$0.35; low \$0.06

> Major shareholder

- Magna Resources Corporation 35%



Why Silver?

> Strong and growing industrial demand base

- Industrial fabrication demand >55% of total demand
- Electrical and electronics comprise 50% of industrial demand

> Growing investment demand

- Growth in ETFs
- 631Moz as at Jan 2013, (200Moz Jan 2008)

Why silver?

“Silver helps make today’s interconnected lifestyle possible and is a vital component of virtually every automobile, cell and smartphone, computer and laptop, appliance and electronic device we use.

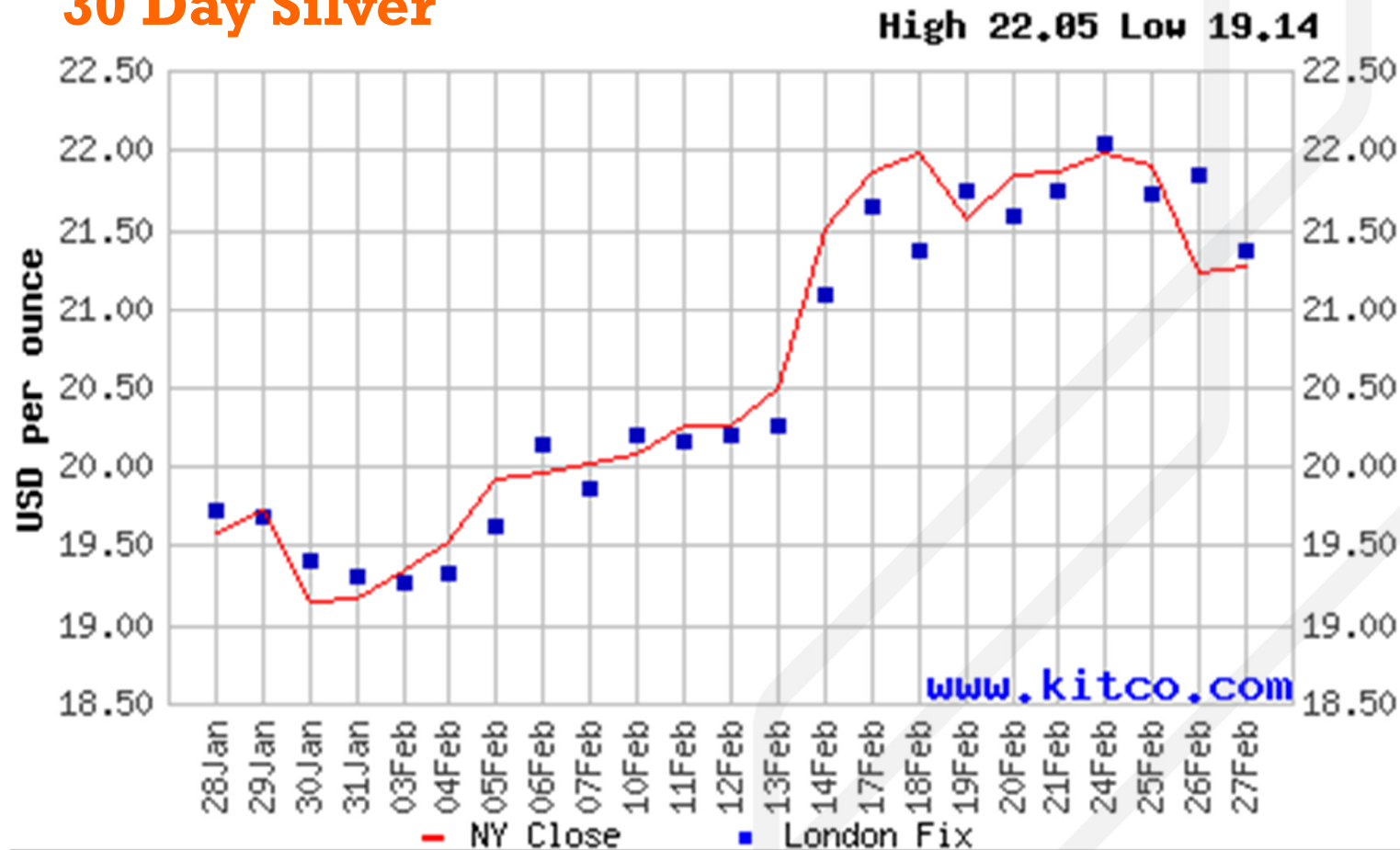
Further, silver’s antibacterial properties are finding new uses in textiles, medical instruments and hospital equipment, providing an effective tool in combatting infection and bacteria”*

*Michael DiRienzo, the Silver Institute (March 2013)

Silver price

> The silver price has strengthened recently

30 Day Silver



Renewed board and senior management

George Lefroy Non-Executive Chairman	Shell, 34 years. Directorships - Singapore Power Ltd, SP AusNet Group, International Training Australia Pty Limited (2000–04), Australian Power & Energy Limited. President-Commissioner PT Chandra Asri in Indonesia.
Daniel Laurente Non-Executive Director	Director and COO Petrindo Jaya Kreasi. Over 27 years experience in exploration and mine management.
Kevin Tuckwell Non-Executive Director	Minerals Council of Australia, Range River Gold, Rio Tinto.
Paul Bibby CEO April 2013	Over 30 years experience across mining and metals industry. Most recently CEO Range River Gold, before that CEO OceanaGold. Prior to that London based Chief Development Officer Nyrstar, after 20 years across Rio Tinto operations.
Brad Glynn CFO December 2013	Formerly General Manager Corporate Finance and Investor and Media Relations - Moreton Resources Ltd. Corporate and investment banking roles over a number of years with UBS, Citigroup and Credit Suisse First Boston.
Claire Miller Company Secretary September 2013	Experienced General Counsel and Company Secretary – has managed legal, company secretarial, regulatory/compliance, risk, insurance and internal audit functions. Experience across a variety of industries including infrastructure, utilities, resources, energy, financial services and Government sectors.
Tom de Vries GM Operations December 2012	Mt. Isa Lead Mine, X41 Copper Mine, Bendigo Mining , General Manager Operations Costerfield Gold/Antimony mine, General Manager Renison Tin Mine, General Manager UME Underground Contract Drilling.
Marty Lenard Exploration Manager 2006	St Ives (Kambalda), Stawell Gold Mines, Mining Project Investors. Sedimentary Holdings.

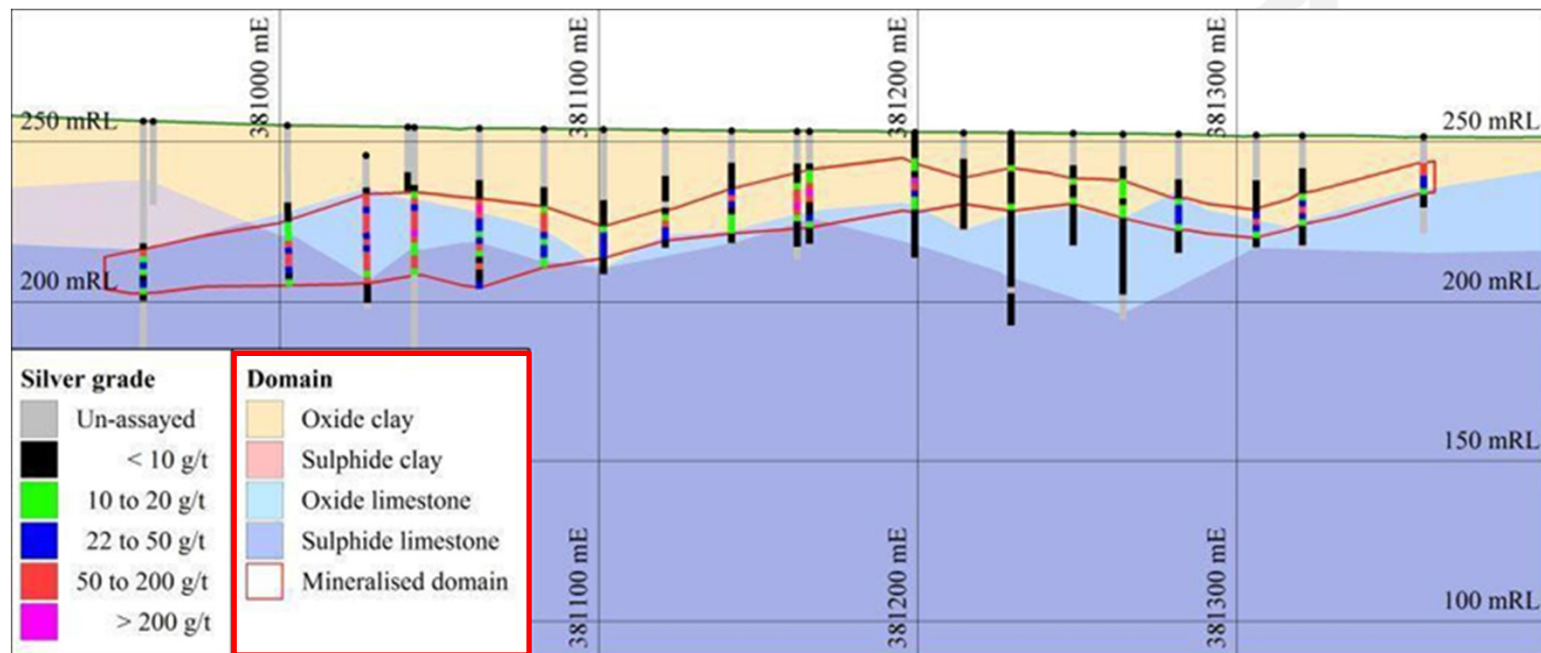
Production progress

- **Shallow open pit mining, low strip ratio**
- **Conventional carbon-in-leach (CIL) to produce silver dore**
- **200,000oz per month silver production achieved in December 2013**
- **Expect ~200,000oz average per month March 2014 onward**
- **Costs targeted at A\$19/oz for balance of FY14 and A\$18.50/oz for FY15**



Manuka pit cross section

- > **Shallow, flat lying secondary silver-lead mineralisation**
- > **Typically 13m thick, 380m wide**
- > **Oxidised clays (softer, generally free digging) above harder oxidised limestone**
- > **Further exploration for deeper primary sulphide limestone**



Driving further cost reductions

> Lower drill and blast costs

- Mining free dig Manuka clay ore
- Lower explosive costs

> Lower maintenance costs

- Improved process plant availability
- Increasing time between shutdowns



> Lower process consumable costs

- Clay ore requires less consumables
- Increased silver recovery

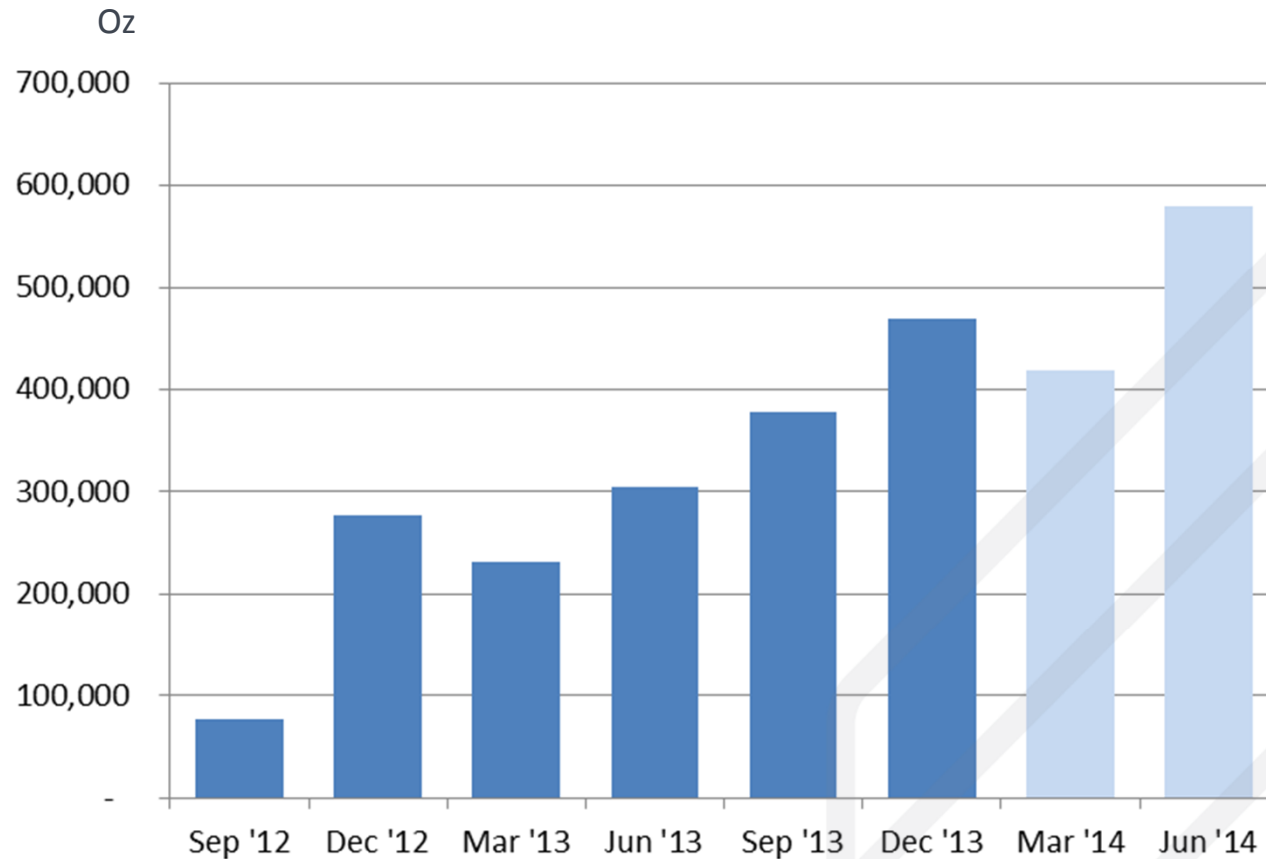
> \$18.50/oz operating cash cost target FY15

> Longer term target \$16/oz

- Re-optimize mine schedule
- Increase throughput

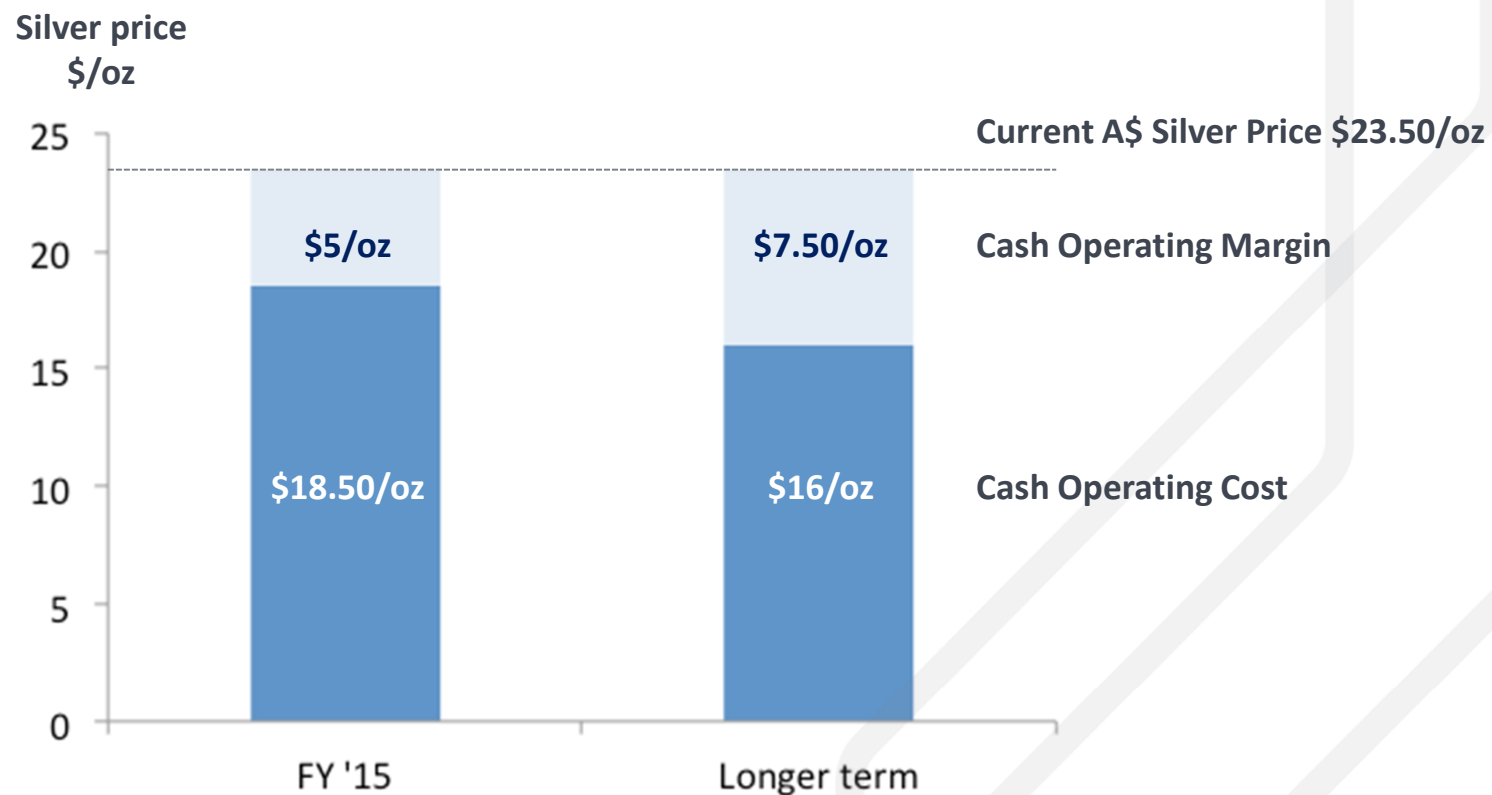
Quarterly silver production

- **205,000oz achieved in December**
- **Targeting ~200,000oz average per month from March 2014 onwards**



Operating cashflow forecast

> +\$1/oz change in silver price adds \$2.4M per annum pre tax



Mineral resource & ore reserve

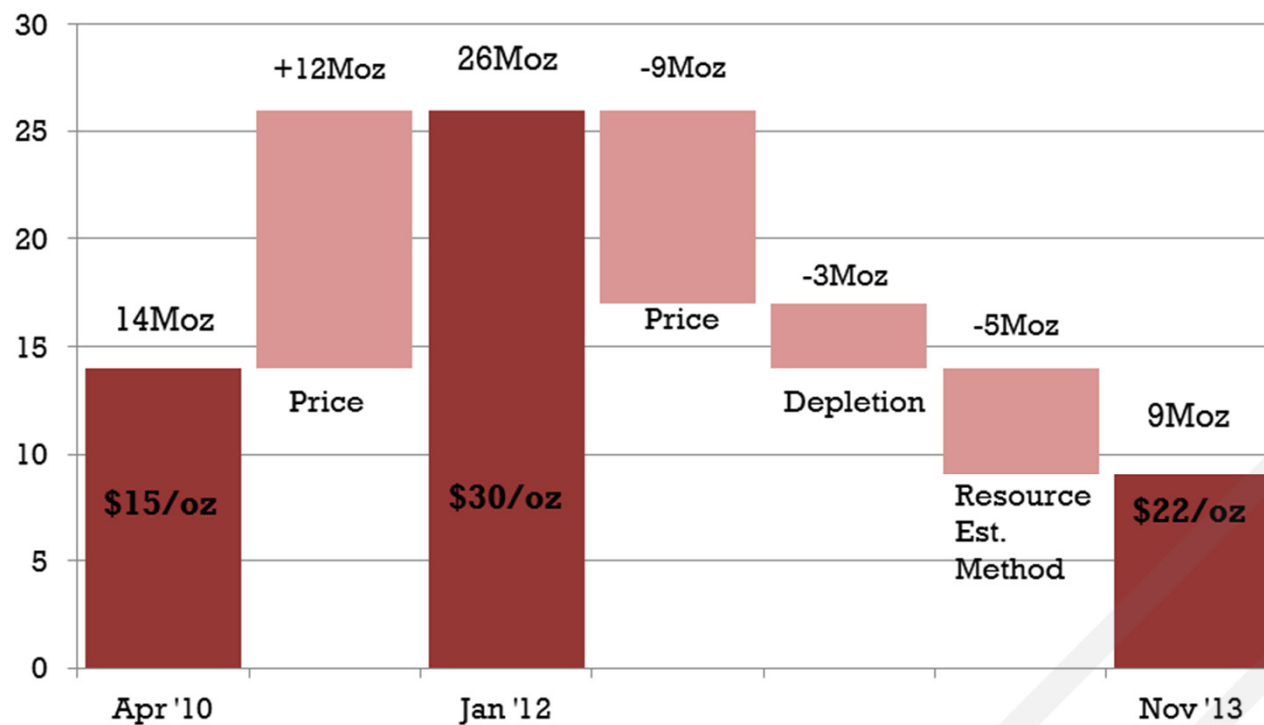
- > 5 year mine life – 9Moz proven/probable ore reserve, 1Moz incidental stocks
- > 60Moz resource – good prospects to upgrade from inferred to M&I

Mineral resources	Tonnes	Grade		Contained metal	
		Mt	Ag g/t	Pb%	Ag Moz
Measured	4.2	58	0.8	7.9	33
Indicated	5.9	54	0.8	10.1	46
Inferred	31.4	42	0.4	41.9	124
Total	41.5	45	0.5	59.9	203

Ore resources	Tonnes	Grade		Contained metal	
		Mt	Ag g/t	Pb%	Ag Moz
Proven	1.8	81	1.0	4.6	18
Probable	1.7	72	0.9	3.9	16
Total	3.4	76	0.9	8.5	34
Stocks (proven)	0.3	84	1.1	0.7	3
Total	3.7	78	1.0	9.2	37

*Ore Reserves are included in the Mineral Resource; Cut-off grade of 22 g/t silver equivalent using a silver price \$22/oz and lead price \$2,200/tonne

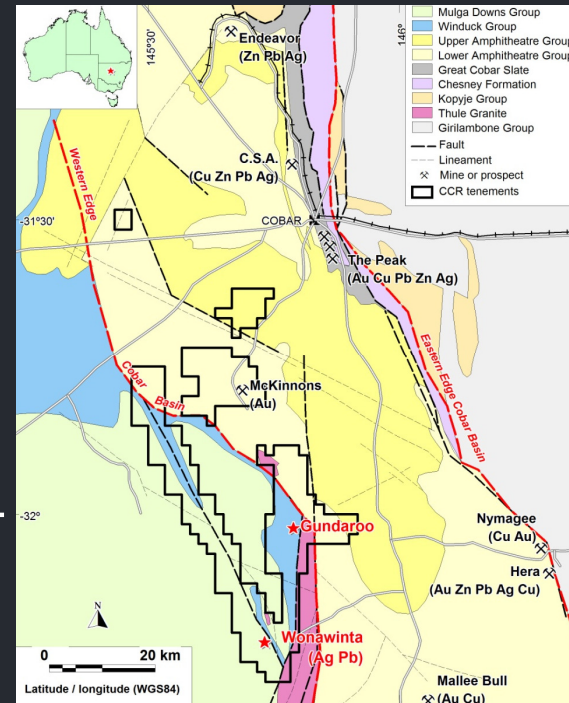
Ore reserves



	Silver equiv. Cut off grade	Silver price A\$/oz	Ore reserve
April 2010	32g/t	\$14.67	14.3
January 2012	22g/t	\$30.00	25.9
February 2014	22g/t	\$22.00	9.2

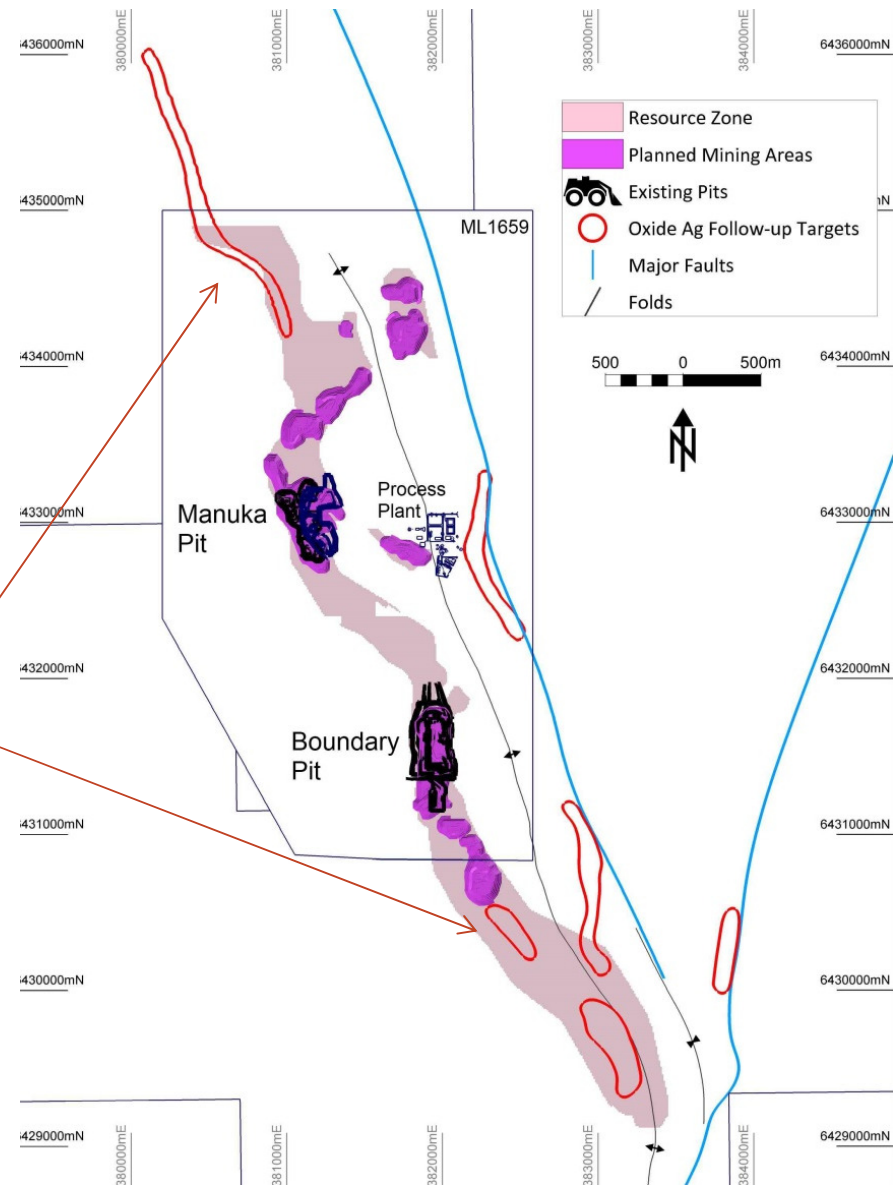
Exploration upside

- > The Cobar Basin is a favorable exploration location
- > Three long established base metal underground and one open cut mine; two advanced projects
- > > 900km² CCR tenements on western basin margin
- > Faults believed to be mineralisation feeder structures
- > Exploration Objectives:
 - Prove near ore mine extension and targets to extend Wonawinta mine life – increase silver reserve/resource inventory
 - Grow project portfolio (new discovery) – pursue base metal potential at Wonawinta and Gundaroo
 - 6m @ 10% Zn equiv. from 228m at Gundaroo



Wonawinta resource zone

- > Mining areas shaded in purple
- > Resource zone shaded light purple
- > Closer spaced drilling to upgrade inferred resource starting in March
- > Exploration targets to increase resource
 - Target areas within the existing resource with the potential for upgrading from inferred to indicated resource
 - Target areas outside of the existing resource with the potential for additional oxide silver resources



Summary

- > **The Wonawinta silver mine has achieved nameplate capacity of >200,000oz per month**
 - Expecting average 200koz Ag per month from March onward, mining Manuka ore, 2.4Moz Ag per annum
 - \$18.50 operating cash costs target FY15
 - \$16/oz longer term target
- > **5 year mine life at \$22/oz Ag price**
 - 9.2Moz proven and probable ore reserves, >1Moz incidental stocks
 - Closer spaced drilling to upgrade inferred resource in coming months
- > **Exploration upside**
 - Potential to add additional silver resources around Wonawinta
 - Zn, Pb, Cu, Ag potential at Gundaroo
- > **Strengthening silver price**
 - No hedging, revenue highly leveraged to silver price
- > **Capital initiative will support working capital position**

Capital raising

- > **\$8M share purchase plan to support working capital position**
- > **Record date 20th February 2014**
- > **Closing date 11th March 2014**
- > **Pricing period – 5th to 11th March 2014**
- > **Allotment date 21st March 2014**

Capital structure ¹	No of shares
Issued capital^{2,3}	330,181,138
Maximum number of shares which can be issued ⁴	99,054,341
Pro forma Issued Capital	429,235,479

1. Capital structure also includes 2.6M options, 3.4M performance rights

2. Includes 465,785 employee shares subject to holding lock

3. Substantial shareholder Magna Resources Corporation – 35.2%

4. ASX Listing Rules proscribe that not more than 30% of issued capital can be issued under a share purchase plan

Use of funds and indicative timetable

Gross cash available from capital raising	\$8M
Debt repayment to CBA	(\$2.6M)
Costs of the Entitlement Offer	(\$0.5M)
Amount available for working capital purposes	\$4.9M

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

Important notice and disclaimer

This Presentation has been prepared by Cobar Consolidated Resources Limited ACN 118 684 576 (Cobar).

Summary information

This Presentation contains summary information about Cobar and its subsidiaries (Cobar Group) and their activities current as at 28 February 2014. The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Cobar's other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au. All dollar values are in Australian dollars (A\$) and financial data is presented for the financial year ending 31 December 2013 unless stated otherwise.

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Important notice and disclaimer (cont')

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JORC Code

The information in this report that relates to exploration results and data quality is based on information compiled by Martin Lenard, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Martin Lenard is a full time employee of Cobar Consolidated Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Martin Lenard consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the current Mineral Resource estimate is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Abbott is a full time employee of MPR Geological Consultants Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Steve O'Grady, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Steve O'Grady is the Principal of Intermine Engineering Consultants, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Steve O'Grady consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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