

ASX Release

6 December 2013

Operations and Corporate Update



Highlights

- 167,000oz of silver recovered in November
- 128,000oz dore production and 39,000oz increase in circuit stocks
- 200,000oz per month rate of silver recovered achieved during second half of November
- 2 years lost time injury free on November 26
- Magna shareholder loan repayment date extended to 30 June 2014
- Working with CBA on loan repayment schedule

Operations Update

In November, 167,000oz of silver was recovered at the Wonawinta Silver Mine, an 18% improvement on October. This included silver dore production of 128,000oz and an increase in circuit stocks of 39,000oz, predominantly as silver in filter cake ready to be smelted.

Safety performance has been outstanding through construction and now during continuous production with the site achieving 2 years lost time injury free on November 26th.

Mining transitioned from the Boundary Pit to the Manuka Pit during the month and this had a significantly favourable impact on production parameters.

Figure 1 below tracks the daily and month to date overall silver recovery in the processing plant. With the transition to Manuka Pit ore on 22 November a step change in silver recoveries was evident. Silver recoveries in excess of 85% were recorded on the final 4 days of the month.

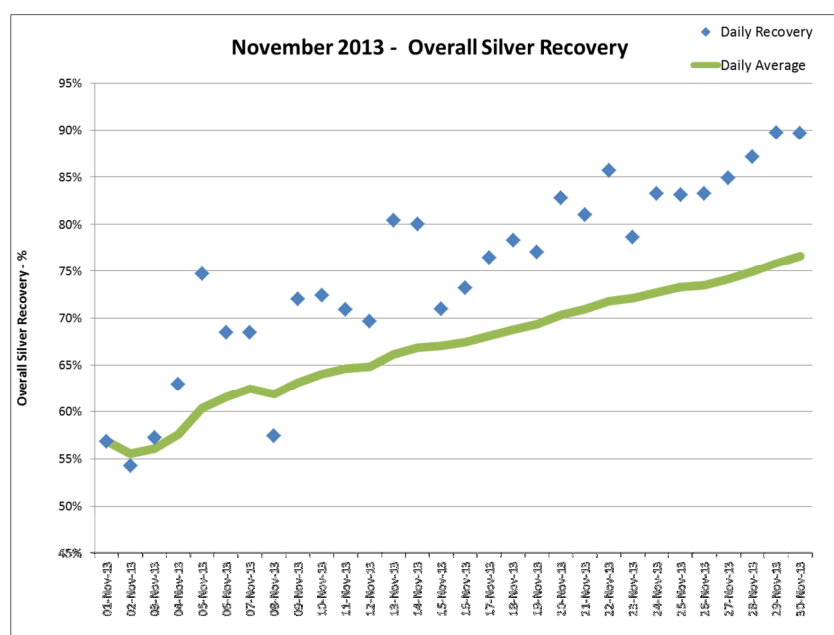


Figure 1

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
4,733,138 performance rights
539,015 employee shares (subject to holding lock)

Board

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

Management

Paul Bibby
(Chief Executive Officer)

Investor enquiries

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Figure 2 below tracks the number of ounces of silver recovered onto carbon. After this step in the process, silver is stripped from carbon and separated from solution before being filtered and smelted as silver dore. There is minimal loss of silver in these final steps in the production process. Silver recovered to carbon exceeded the rate of 200,000oz per month during the second half of November and in the final week of November some 60,000oz of silver was recovered onto carbon. This augurs well for silver production in December.

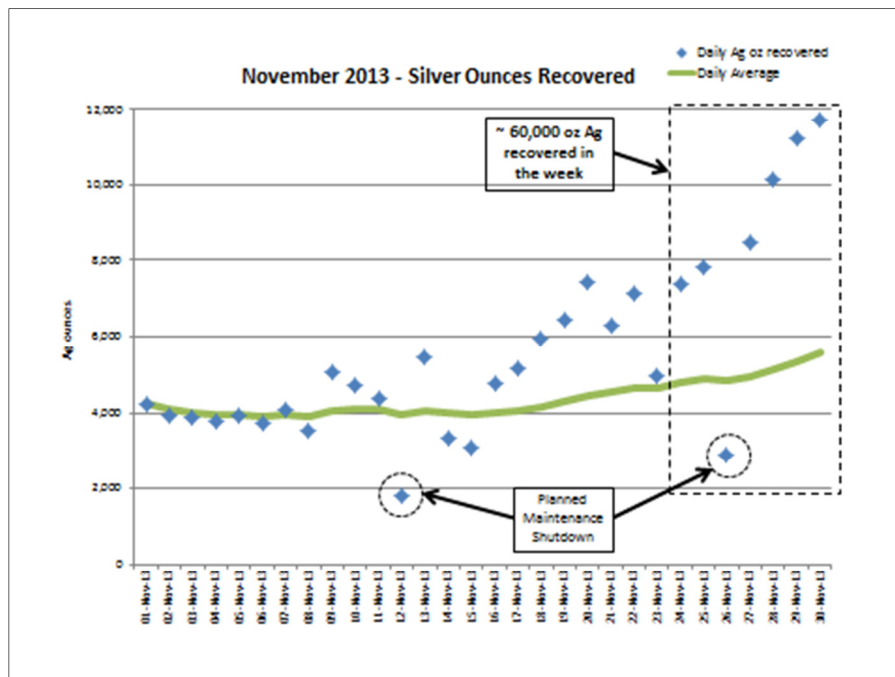


Figure 2

Chief Executive Officer Paul Bibby said, "We are encouraged by the strong safety performance and the improving operational performance at Wonawinta. As a result of the consistently higher plant availability and better recoveries, later in the month, we demonstrated the plant's ability to operate and recover silver in excess of the 200,000oz per month rate. We remain targeted at silver production of 200,000oz per month by early 2014 at which level we expect to be cash positive."

Corporate Update

Magna Resources Corporation is CCR's major shareholder, holding a 35.2% interest in the Company. In September 2013 Magna provided a \$3M bridging loan to the Company. The repayment date of the bridging loan has been extended from 31 December 2013 to 30 June 2014. Other terms and conditions of the bridging loan are unchanged.

The Company is also in discussion with its other lender, Commonwealth Bank of Australia, regarding the structure of repayments under its finance facilities.