

# ASX Release

21 August 2013

## Chief Executive Officer Announcement



### Highlights

- CEO appointment confirmed
- Operations update

The Board of Cobar Consolidated Resources Limited today confirmed the appointment of Paul Bibby as Chief Executive Officer.

Mr Bibby has been acting CEO since 24 May 2013 and the appointment follows an extensive search process.

Cobar's Chairman John Dreyer commented, "On behalf of the Board, I am pleased to confirm Paul's appointment as Chief Executive Officer. He is the ideal man to lead the Company through its next phase. We look forward to continuing to work with Paul and his management team, who have already made significant improvements and will deliver the turnaround required to restore the Company's position as one of Australia's leading silver producers."

Mr Bibby will be employed with a base salary of \$400,000 and will participate in the Company's incentive plans.

Responding to questions from shareholders since the release of the Company's June 2013 quarterly report, Mr Bibby made the following comments;

"The mining contractor's efficiency has improved and they are consistently achieving above planned movement of 4,500BCM per day.

The ball mill is now operating effectively, and is treating oversize ore from current production as well as a portion of stockpiled oversize ore. We expect that the stockpiled oversize ore will be progressively treated over the next 12 months.

We are achieving higher silver loadings on carbon and increasing the frequency of silver stripping, as we move toward our target production level of 200,000oz of silver per month. The installation of a new retort, at a cost of approximately \$390,000, in mid-September is required for the Company to meet its target production level.

Through a combination of redundancies and attrition, personnel numbers have been cut by 12%, resulting in a 17% reduction in employment costs. A range of other cost reductions have been delivered, with other costs targeted for review.

### 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)  
Richard Mazzucchelli  
(Non-executive Director)

### Management

Paul Bibby  
(Chief Executive Officer)

### Investor enquiries

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In addition, with the in-fill drill results, we are revising the pit designs for the southern and western cutbacks of the Boundary Pit, which are the next two areas to be mined. The revised pit shapes will reduce the amount of waste to be mined relative to the amount of ore, thereby improving cash flow.

The above two initiatives were not factored into the forecast cash outflows that were included in the June 2013 quarterly cashflow report. We are also reviewing options to improve the Company's working capital position.

Although the lead circuit was trialed earlier in the year, all ore is being carried forward into the leach/elution circuit to maximise silver production. Further trials on the lead circuit will be conducted in coming months.

These steps have been taken to strengthen operational and financial performance and we are well placed to achieve our production targets."