



A PATHWAY TO SILVER PRODUCTION

December 2010



Trevor Shard
Company Secretary

Disclaimer



Certain statements contained in this presentation, including information as to the future financial or operating performance of Cobar Consolidated Resources (ASX:CCU) and its projects, are forward looking statements. Such forward looking statements:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, operating costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cobar, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements.

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All forward looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

The information to which this statement is attached that relates to exploration results is based on information compiled by Martin Lenard who is a Fellow of the Australasian Institute of Mining and Metallurgy. Martin Lenard consults to Cobar Consolidated Resources Ltd as a full time employee of RMDSTEM Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves” (the “JORC Code”). Martin Lenard consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.

BM Geological Services was engaged in October 2009 by Cobar Consolidated Resources Ltd, to prepare a mineral resource estimate for the Wonawinta silver-zinc-lead deposit in New South Wales. A W Bewsher, Senior Geologist, prepared this report.

The mineral resource estimates in this report have been classified and reported in accordance with the JORC Code. The following statement is made in accordance with Clause 8 of the JORC Code:

The information in this report that relates to mineral resources is based on information compiled by A W Bewsher, who is a Member of The Australian Institute of Geoscientists.

A W Bewsher is a full-time employee of BM Geological Services, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to mineral resource estimation processes to qualify as a Competent Person as defined in the JORC Code. A W Bewsher consents to and has provided his prior written consent to the inclusion in this report of these matters based on the documentation in the form and in the context in which it appears.

Corporate profile



Key details

ASX: CCU (listed 2006)

Share price: \$0.41

Market Cap: \$57M

Shares issued: 138.4M

Options issued: 7M

Cash balance: \$5.0M

Share register

Board & Management 18%

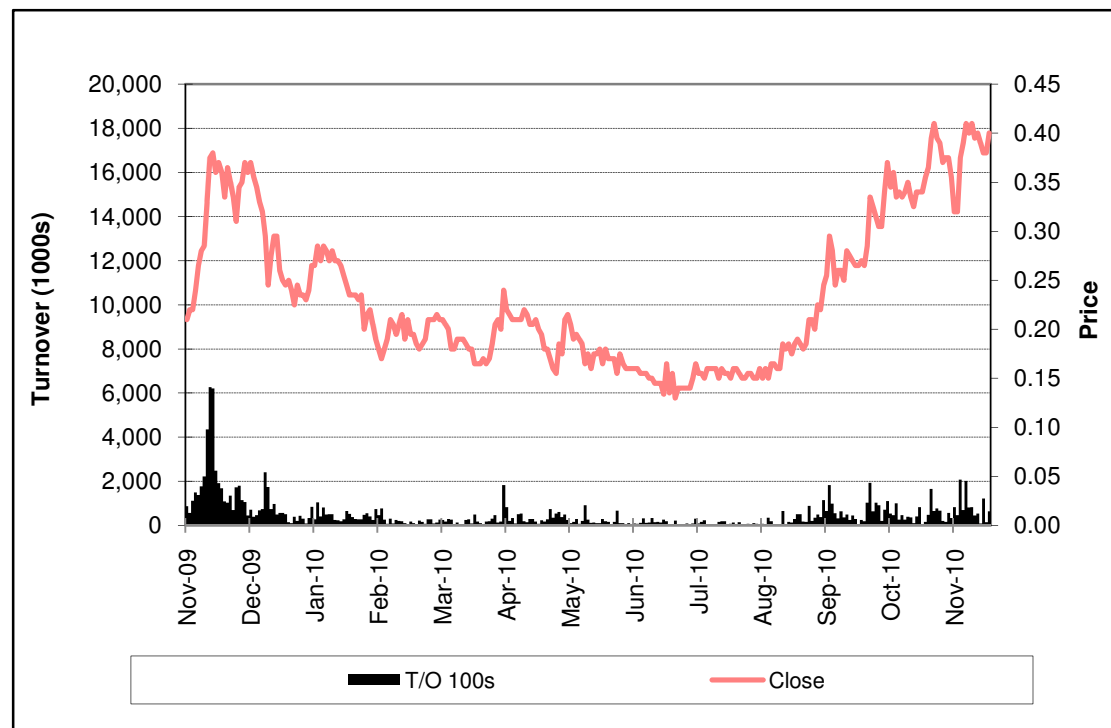
Corporate 15%

Institutions 5%

Large shareholders 12%

Retail 50%

Share price and turnover



Source: The Age

Executive summary



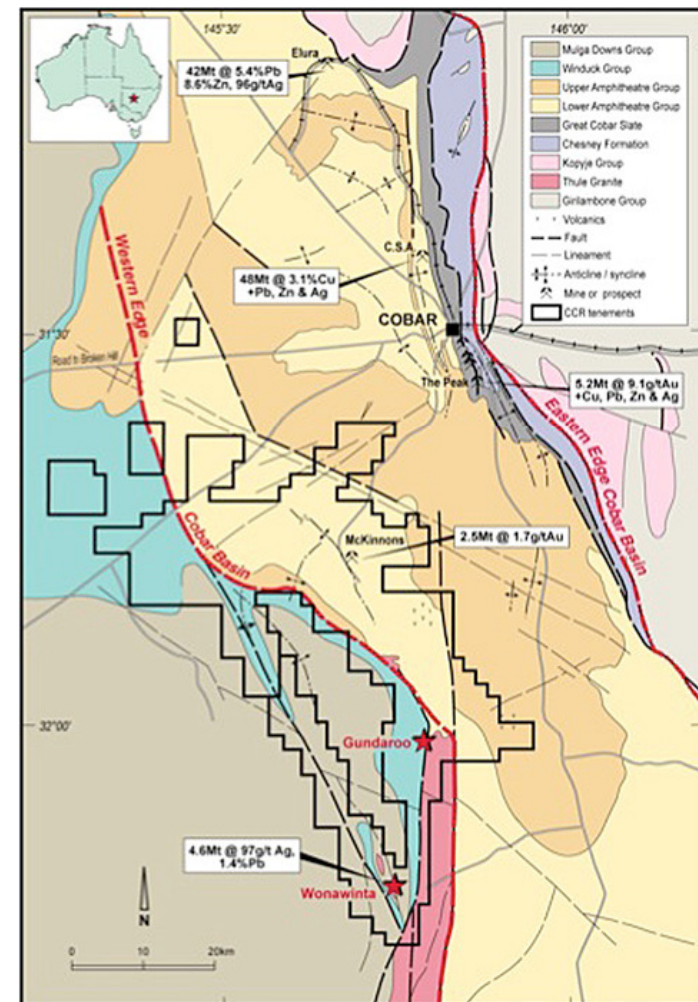
- ▶ Cobar Consolidated Resources Limited (CCU:AU) is developing the Wonawinta silver project (CCU 100%), near Cobar in western New South Wales
- ▶ Wonawinta is the largest “pure” silver project in Australia
 - 51Moz Ag indicated/inferred resource, 14Moz probable reserve
- ▶ 12.8Moz over 5 year mine life
- ▶ Gravity circuit to produce lead concentrate
- ▶ Short timeline to production – Q4 2011
- ▶ Good prospects to extend mine life
- ▶ Team in place to deliver the project



The Cobar region



- ▶ Copper discovered in 1870
- ▶ The region is host high grade, long life polymetallic deposits
- ▶ 4 world class mines in the district;
 - Endeavor mine, Toho Zinc (ex CBH Resources) (Zn, Pb, Ag)
 - CSA mine, Glencore, (Cu, Zn, Pb, Ag)
 - The Peak, NewGold, (Au, Cu)
 - Tritton Copper Mine, Straits Resources, (Cu, Au)
- ▶ Good infrastructure (road/rail)
- ▶ Experienced workforce
- ▶ Long-standing mining tradition
- ▶ CCR has 1,300km² tenement position



Cobar regional geology

A solid resource base



Resource	Mt	Grade		Contained metal		Au Eq
		Ag g/t	Pb %	Ag Moz	Pb '000t	'000oz
<i>Classification</i>						
Indicated	11.3	78.7	1.14	28.6	129	480
Inferred	10.6	64.6	0.78	22.0	83	360
Total	21.9	71.8	0.97	50.6	212	840

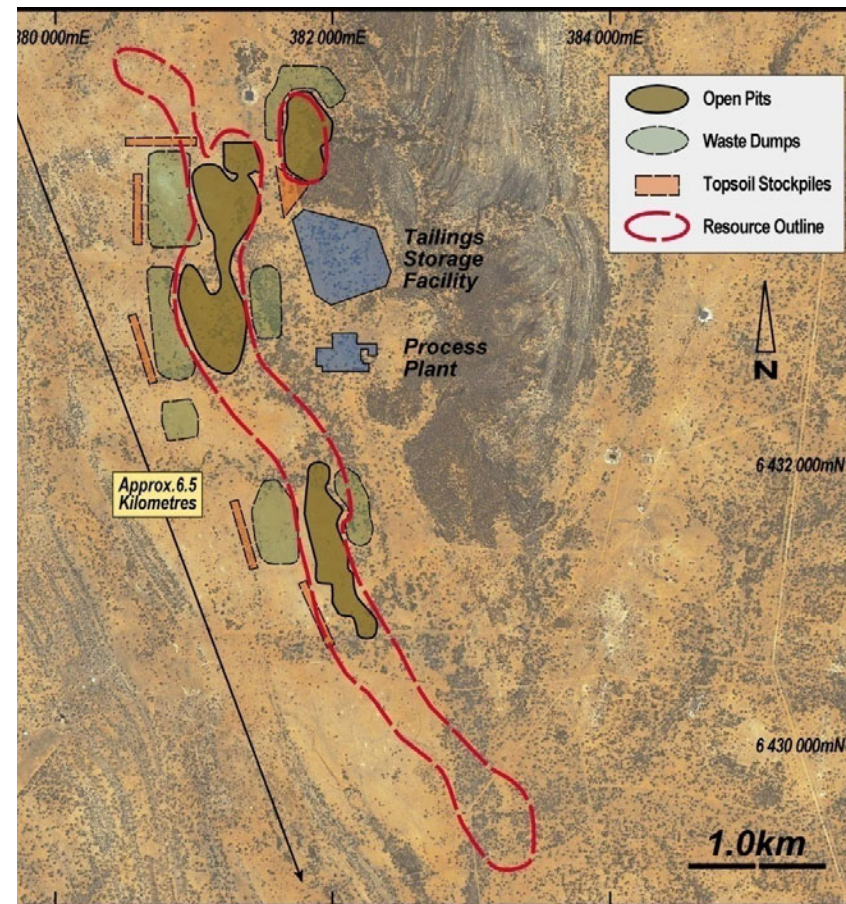
Reserve	Mt	Grade		Contained metal		Au Eq
		Ag g/t	Pb %	Ag Moz	Pb '000t	'000oz
<i>Classification</i>						
Probable	4.6	97	1.4	14.3	64	240

Au equivalent calculated at 60:1

Mining

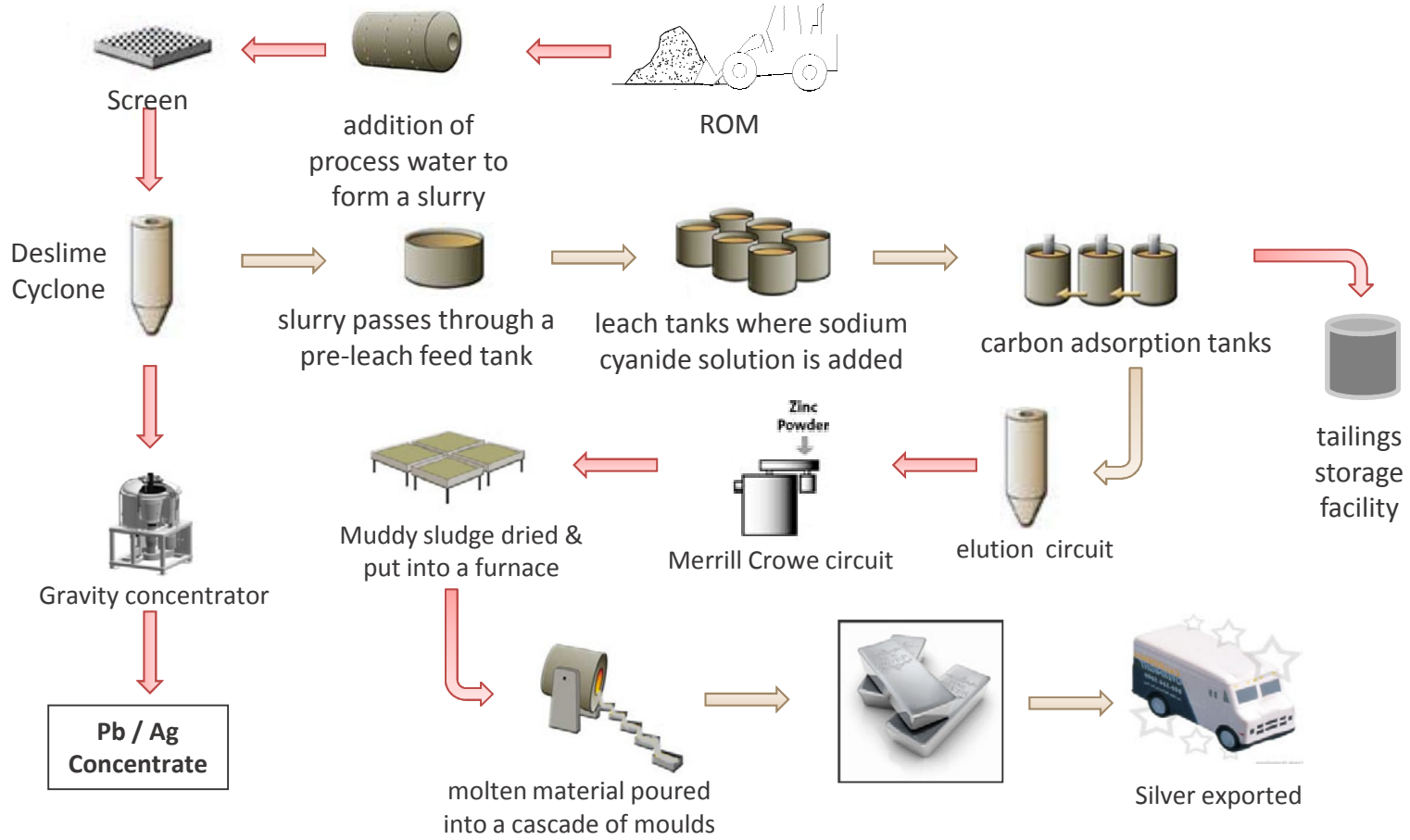


- ▶ A series of 4 shallow open pits, ~50m deep
- ▶ Free digging waste and ore
- ▶ 6.2:1 strip ratio
- ▶ Contract mining
- ▶ Pre strip to commence April 2011
- ▶ First ore to be produced by September 2011



Project area

Processing

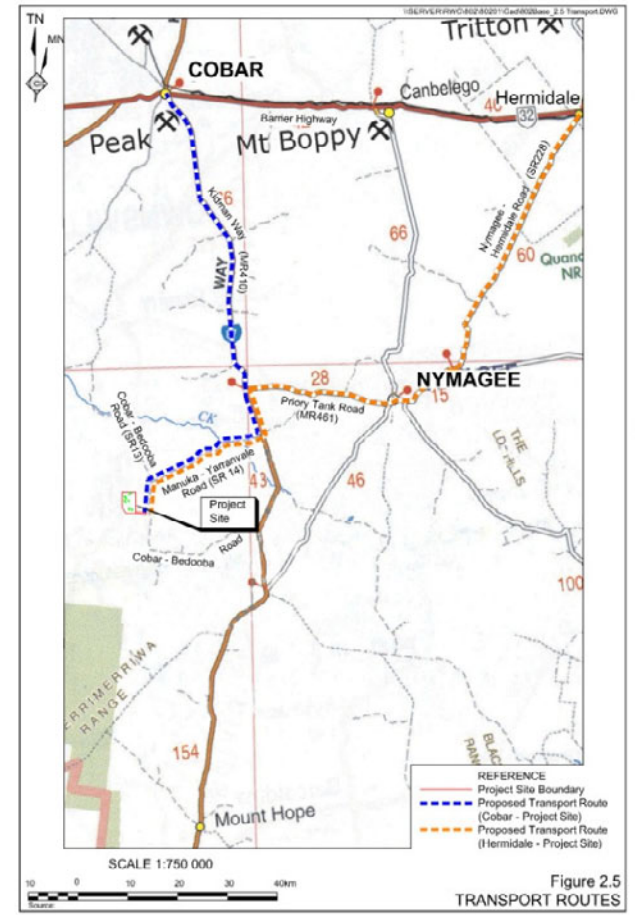


Infrastructure



- ▶ Water pipeline from McKinnons bore-field (50kms)
- ▶ Potential alternative water source at Mirabooka (14kms)
- ▶ Early success at north Manuka
- ▶ Moomba/Sydney gas pipeline nearby
 - 14km lateral to site
- ▶ On-site gas fired electricity generation
- ▶ Local workforce
- ▶ Regional road/rail infrastructure

COBAR CONSOLIDATED RESOURCES LIMITED - 7 - ENVIRONMENTAL IMPACT STATEMENT
Wonawinta Project Section 2: Project Description
Draft Report No.802/01 - August 2010



Permitting



- ▶ Supportive State and Regional government
- ▶ Established and transparent permitting process
- ▶ Conceptual project development plan approved by Department of Primary Industry
- ▶ Department of Planning has issued EIS requirements
 - Draft EIS with Cobar Shire council
 - Development Application and EIS to be lodged December 2011
- ▶ Mining license application submitted after development approval
- ▶ Heads of Agreement to purchase “Manuka” pastoral property

Project economics



- ▶ 12.8Moz silver produced over 5 yrs (based on current Ag/Pb reserves)
- ▶ \$29.5M capital cost
- ▶ Cash operating costs:
 - A\$10.20/Oz (no lead recovery)
 - A\$6.50/Oz (with lead recovery)
- ▶ 2 year payback
- ▶ Strong cash flows at current silver price (A\$29/oz)
- ▶ Behre Dolbear mining consultants completing independent technical review



Timeline to production

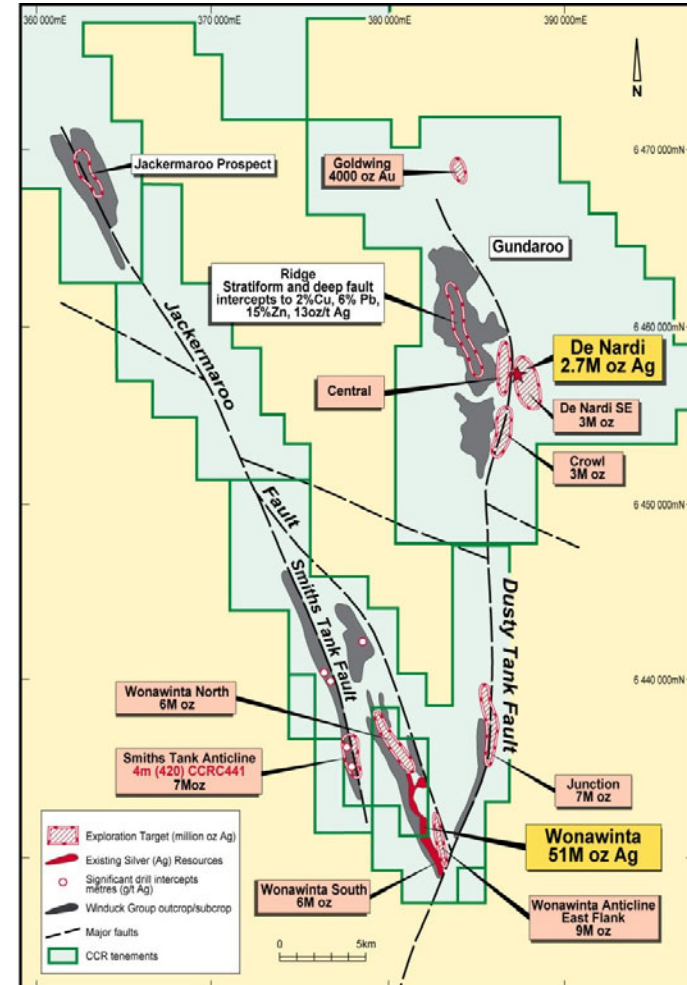


First silver production targeted December 2011

Resource Conversion



- ▶ 5 year mine life – based on mining current probable ore reserve (14Moz Ag)
- ▶ Strategies to increase reserves;
 - Upgrade oxide resource to reserve (20Moz target)
 - Flowsheet to treat sulphide resources (17Moz target)
 - Flowsheet to treat other resources – e.g. De Nardi prospect (2.7Moz resource)
 - Upside potential 40Moz

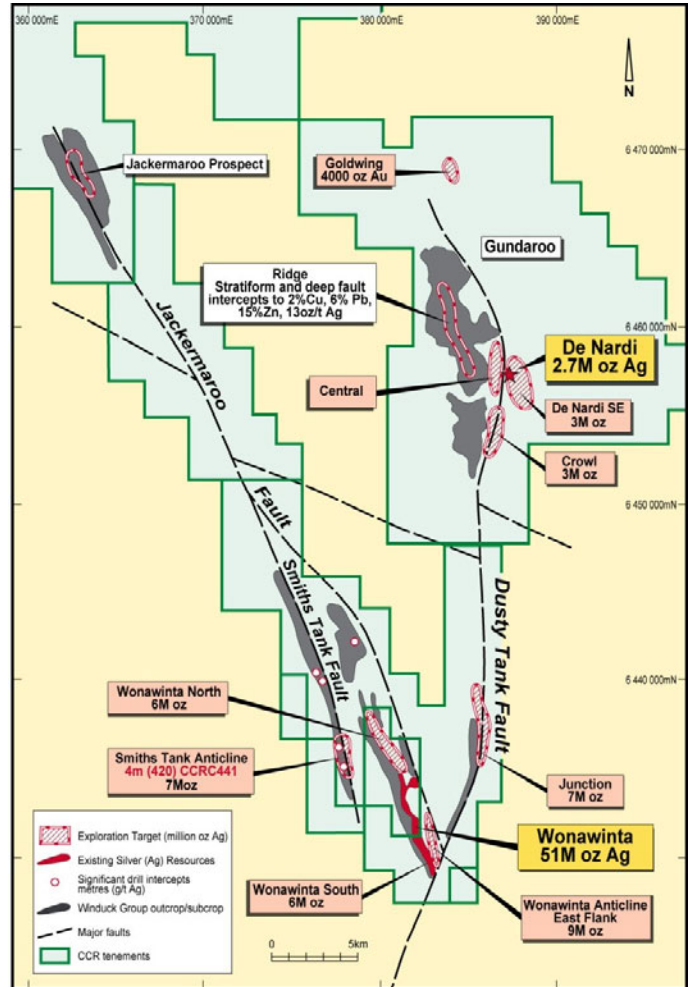


Regional exploration targets

Resource additions



- ▶ Strategies to increase resource base;
 - Oxide silver targets identified near mine and along fault structures
 - Geochemistry used to identify most prospective targets
 - Estimates based on drill results, geochemistry and comparison with Wonawinta
 - Additional geochemistry to define targets
 - First pass drill program H1 2011
- ▶ Highly prospective base metal targets
 - Gundaroo – Ridge
 - Gundaroo - Central
 - Gundaroo – De Nardi
 - Crowl

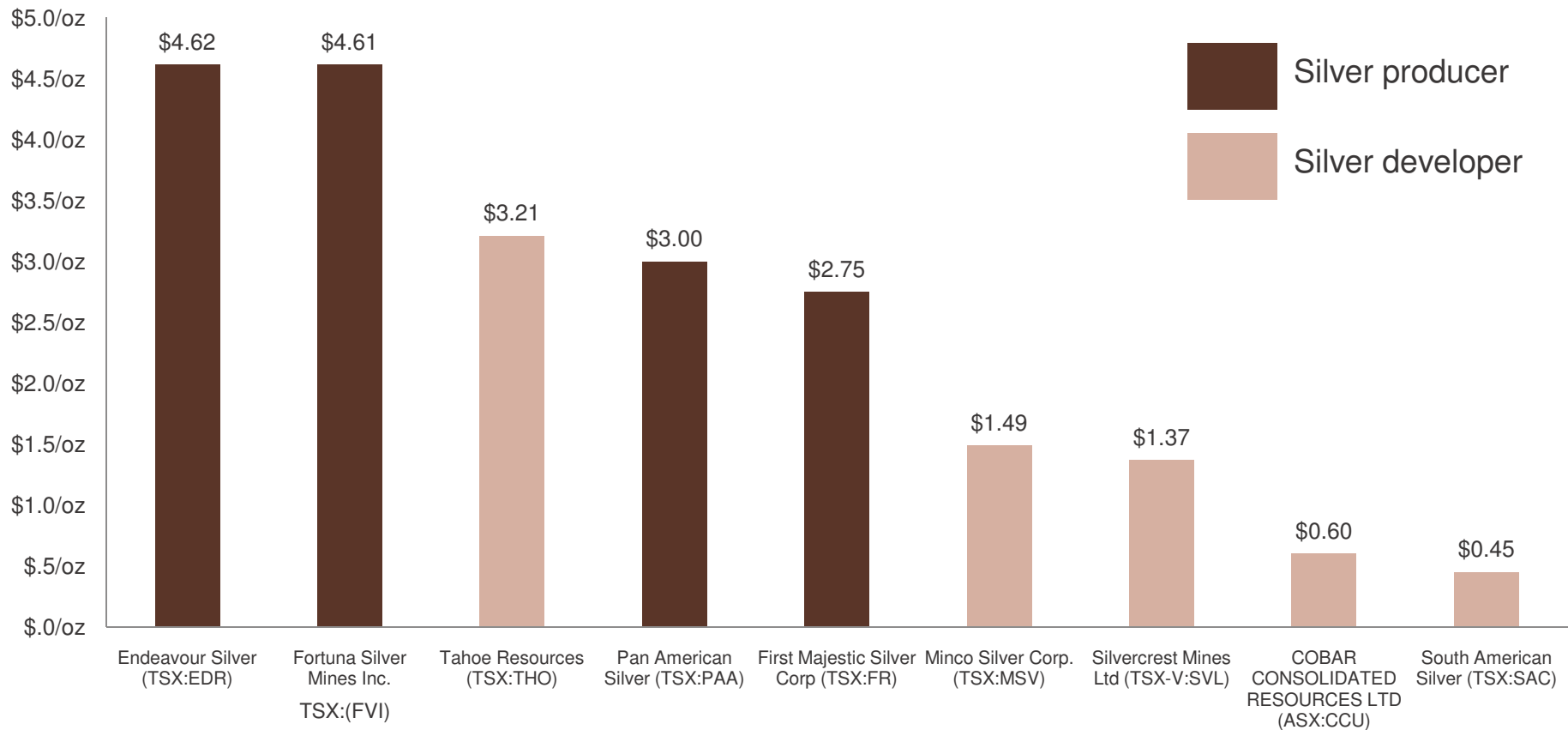


Regional exploration targets

Silver equities - valuation metrics



EV/Resource oz (US\$)

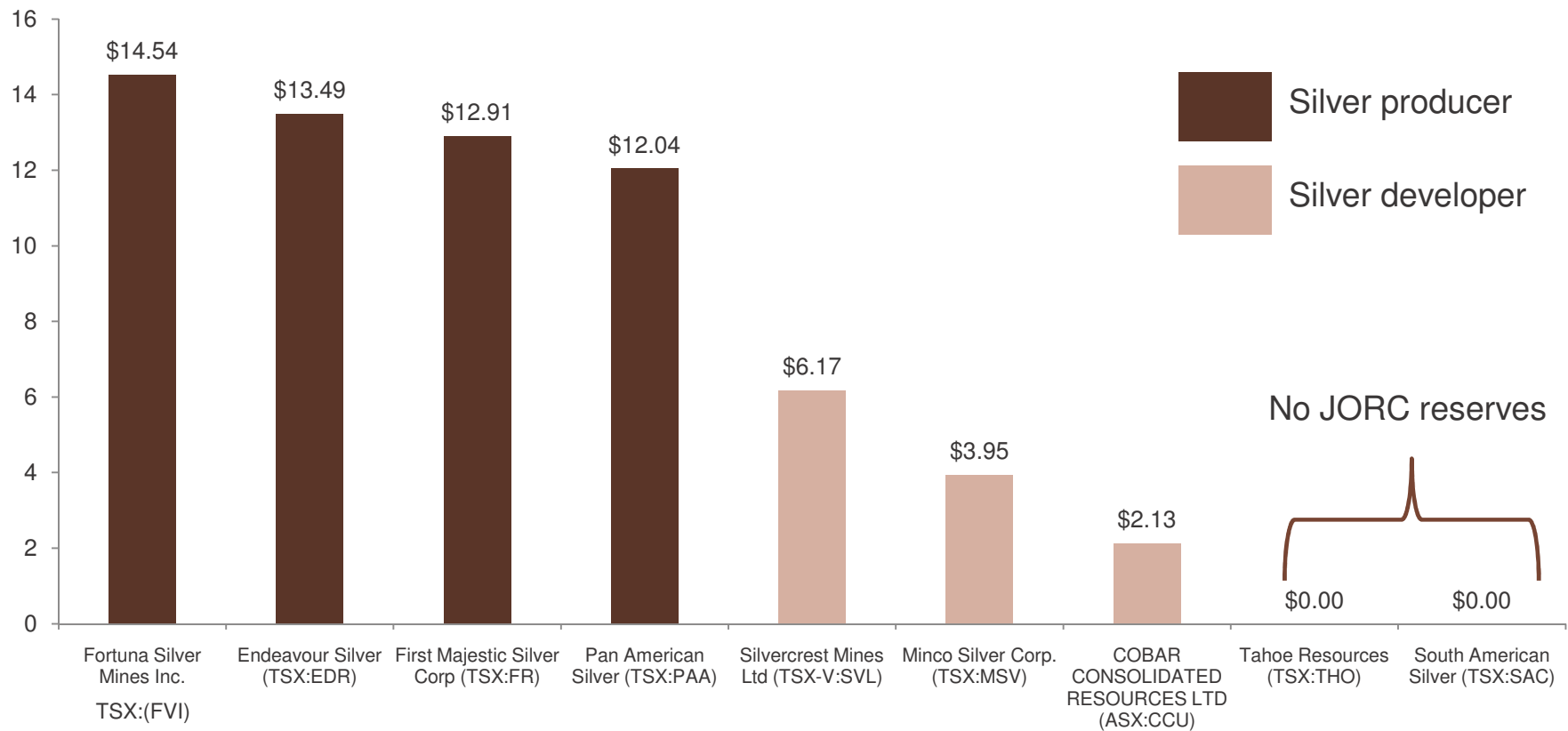


Source: Bloomberg, RBC Capital Markets

Silver equities - valuation metrics



EV/Reserve oz (US\$)



Summary



- ▶ Bankable feasibility study to be completed
- ▶ Shallow, open pit mining operations to produce silver bullion
- ▶ Permitting and approvals well advanced
- ▶ Near-term production (4Q 2011)
- ▶ Attractive project economics
- ▶ Significant exploration upside
- ▶ Robust silver market fundamentals
- ▶ Silver price at record levels
- ▶ Team in place to deliver the project



Appendices

The Board



Dr Richard Mazzucchelli – Chairman

- +45 years experience, former Chief Geochemist WMC
- Associated with gold, nickel and base metal discoveries
- Has served as a director with a number of public companies



Ian Lawrence – Managing Director

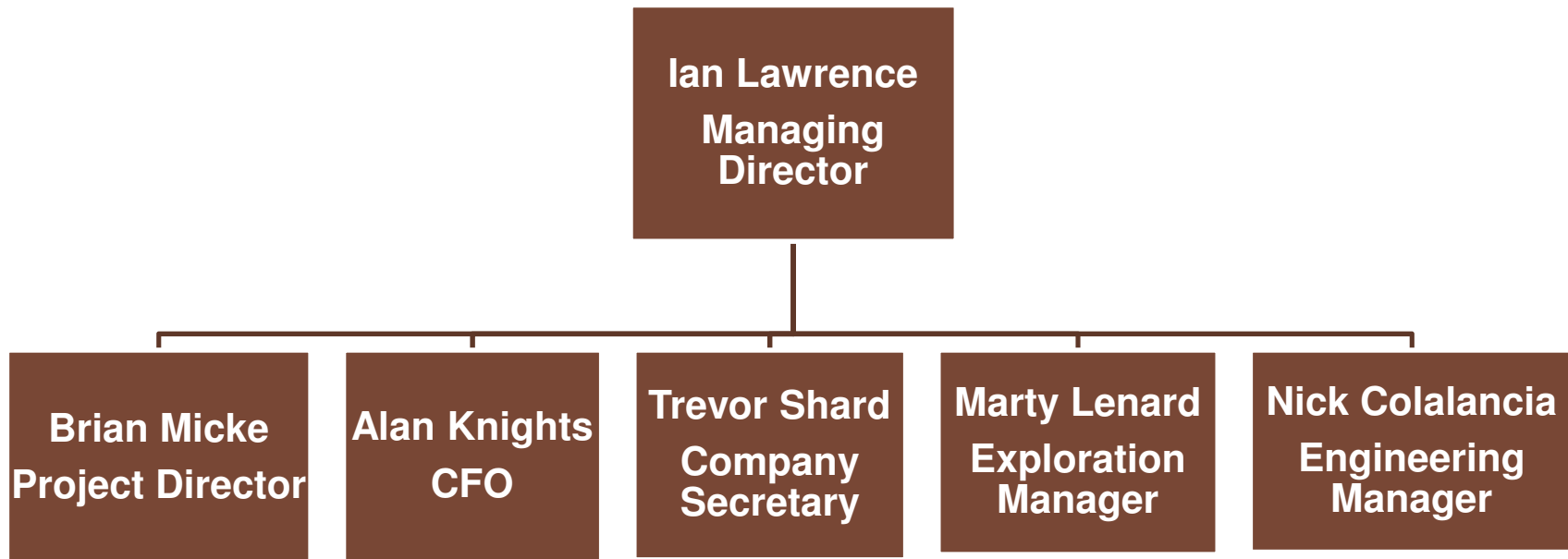
- +30 years experience, former senior executive WMC
- Executive director RMDSTEM Limited



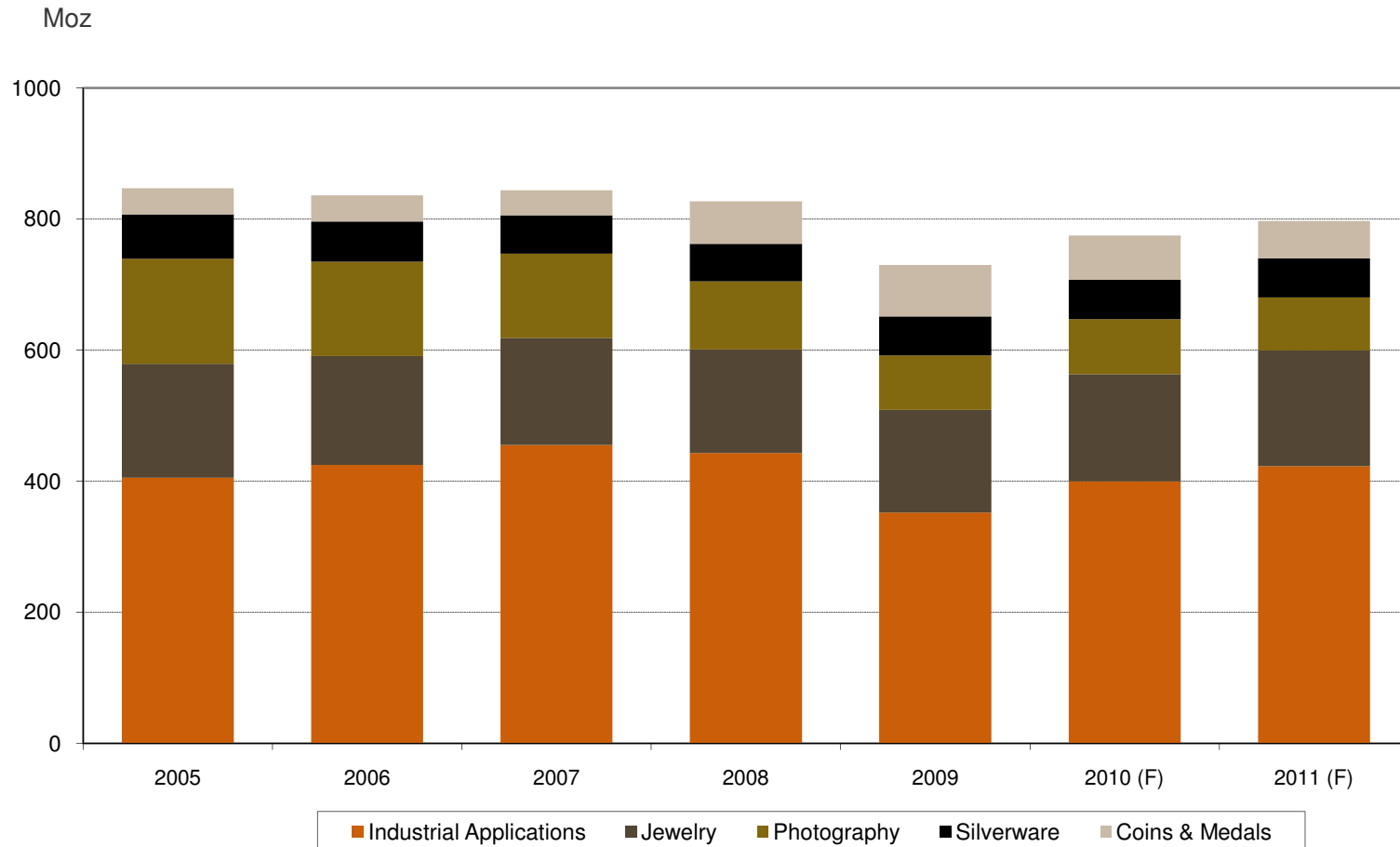
Dr George Lefroy – Non-executive director

- +45 years experience, former Executive Vice President Shell Chemicals
- Manufacturing, technology, marketing and HR experience
- Director of SP AusNet and PT Chandra Asri

Management structure

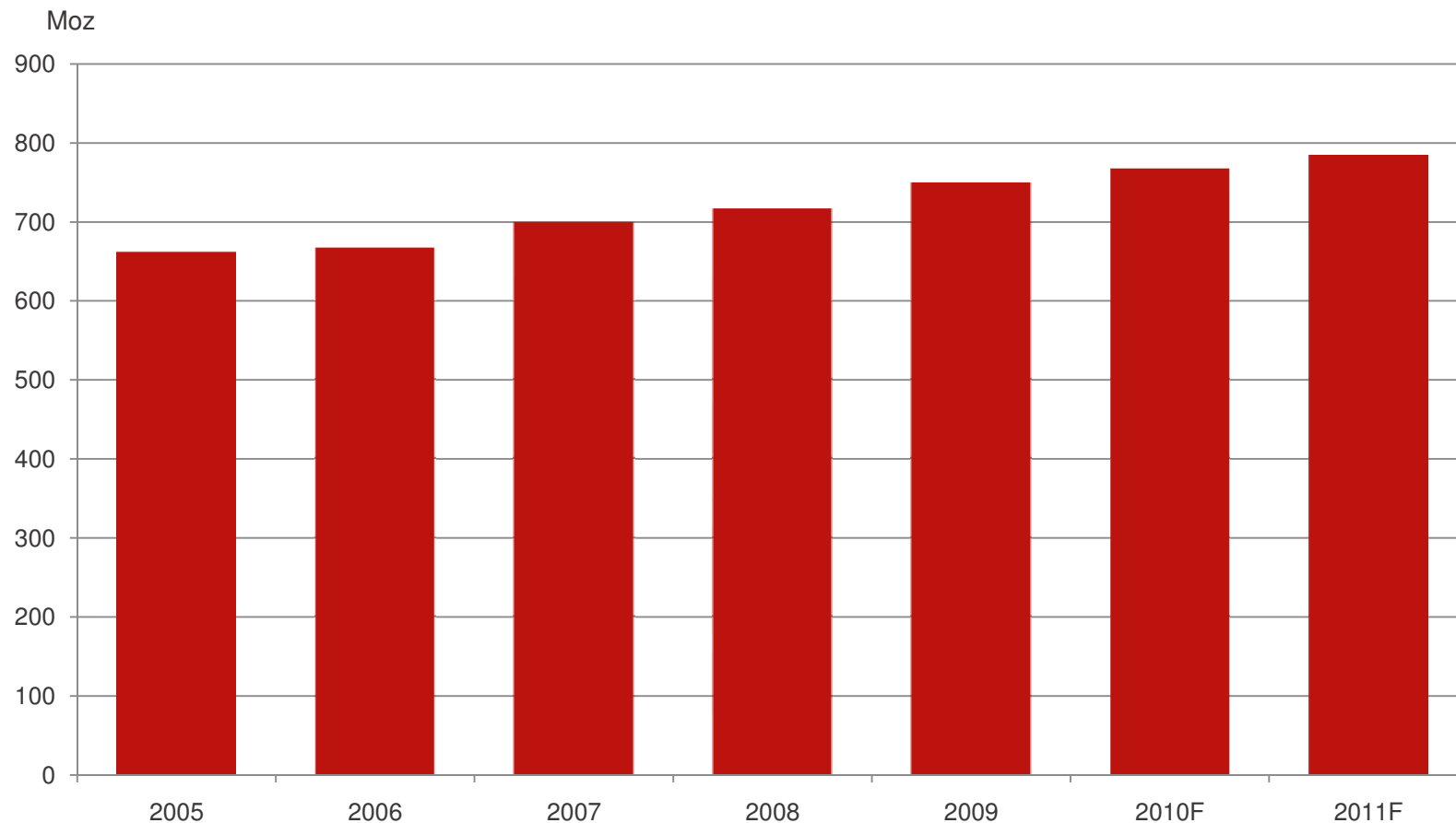


Silver fabrication demand



Growth in industrial applications has offset the decline in photographic uses

Silver mine production

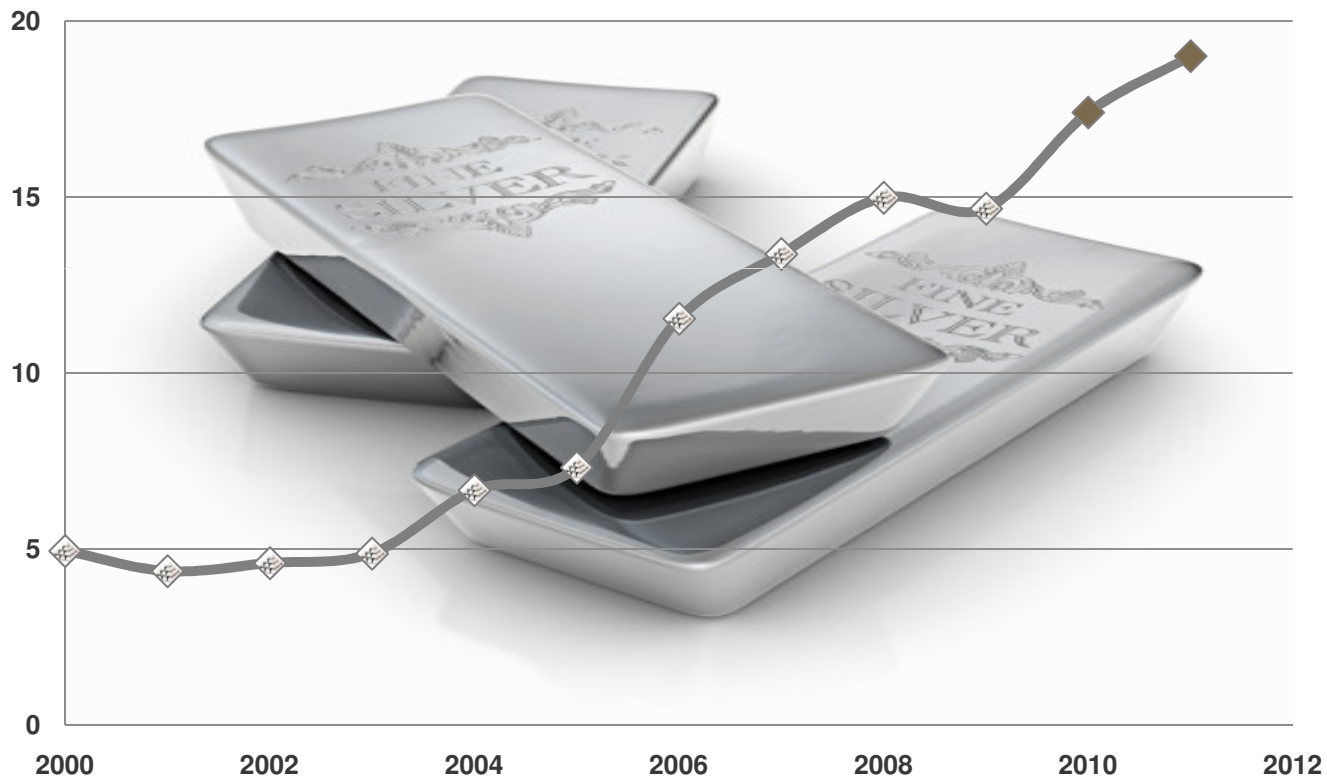


Silver mine production has grown at around 4% per annum since 2005

Positive price outlook



US\$/oz



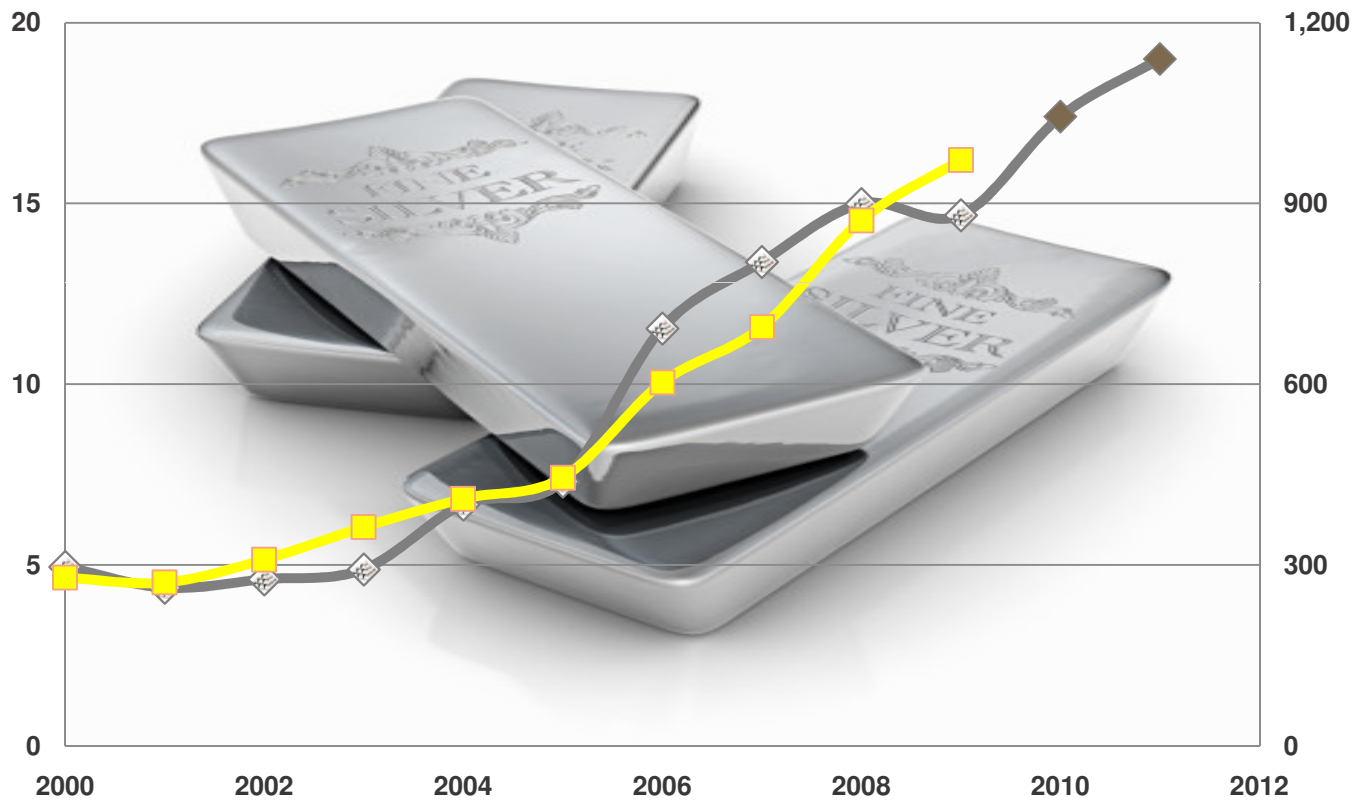
The silver price has strengthened over the second half of the decade ...

Gold-silver price comparison



US\$/oz

US\$/oz



... maintaining its relationship with the gold price