



29 March 2006

Company Announcements Office
Australian Stock Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

Revised Silver Sale Arrangements with Coeur D'Alene

The Company advises that its arrangements with Coeur D'Alene Mines Corporation for the sale of the contained silver at the Endeavour Mine have been varied. This \$50 million transaction was announced on 7 April 2005 and the Company received the initial \$20 million payment in May 2005. The remaining \$30 million was to be paid by Coeur when the Endeavor mine ore reserves ceased to be conditional upon the installation of a pastefill plant.

The failure of the 6Z2 stope at the Endeavor Mine in October 2005 required a recasting of the mine production plan which impacted upon the silver production and ore reserve assumptions which underpinned the April 2005 agreement. To address these impacts, the Company and CDE have varied the arrangements so that;

- (a) the remaining \$30 million will be paid when the pastefill plant operates in the ordinary course for 30 consecutive days to provide at least 90% of the quantity of pastefill planned for that 30 day period and the Endeavour mill operates for at least 3 months at the rate of 1.2 million tonnes per annum. Under the current mine production plan, these conditions are expected to be satisfied in the last quarter of the current calendar year.
- (b) the price participation arrangements (whereby CBH will receive 50% of the sale price of silver sales above a threshold price of US \$ 5.23 per ounce) will have a new threshold price of US \$ 7.00. This price participation was to start in April 2007 but will now start on the later of the date CBH has delivered 2,073,000 ounces of payable silver and 30 June 2007.
- (c) the maximum quantity of silver to be sold by CBH under the arrangement will increase from 17.7 million ounces to 20 million ounces.
- (d) Coeur will provide a \$15 million standby loan facility to CBH pending the payment of the \$30 million. Any drawdown which CBH may elect to make under this facility will be secured against the Endeavor Mine and will be advanced on the basis of a CBH guarantee. Any loan will have a maximum 18 month term and, for the first 12 months, an interest rate of 7.75%.



These revised arrangements give both the Company and Coeur additional certainty and will, in particular, give some financial flexibility to CBH to pursue its current portfolio of development projects.

Yours sincerely,
CBH Resources Limited

A handwritten signature in black ink, appearing to read "R. Besley".

Robert E Besley
Managing Director