Panorama - Project Update

Underground mining - the preferred development option

CBH is pleased to announce that recent scoping studies have confirmed the economic viability of its Panorama Project in Western Australia as a high grade underground mine.

Development of Panorama has been pursued to date as an open cut mine, however the current review has demonstrated that the project economics will be substantially improved if Panorama is developed as a high grade underground mine.

The Panorama Project is located 160 kilometres from Port Hedland in the Pilbara region of Western Australia. The mine will be a significant producer of copper and zinc which will be exported through Port Hedland.

The recent scoping study shows that an underground mine with a production rate of 600,000 tonnes per annum is capable of supporting an initial mine life of around 7 years at relatively high grades. By targeting ore at average grades of 2% copper and 6% zinc, the mine will produce approximately 185,000 tonnes of zinc (as metal in concentrate), 70,000 tonnes of copper (as metal in concentrate) and 880,000 ounces of silver throughout its anticipated life. The geology of the mineralisation lends itself to a low cost sub-level open stoping operation able to produce attractive operating margins.

There is potential to extend the current reserve within the known Sulphur Springs orebody. In addition the nearby Kangaroo Caves deposit (CBH earning 60% from Sipa Resources Limited), with a Mineral Resource of 6.3 million tonnes @ 3.3% zinc and 0.5% copper, is likely to provide an extension to the Panorama mine life. The mining of Kangaroo Caves at higher cut off grades can add significant value to the Panorama Project. CBH is in the final stages of completing its earn-in from Sipa Resources.

Work to quantify the underground mine reserve is expected to be completed in December.

Current indications are that the required capital expenditure for the underground mine development will be approximately A$150 million based on a production rate of 600,000 tonnes per annum. GR Engineering Services has been engaged to validate the project capital cost estimates with this work expected to be completed within two months.

Appointment of PCF Capital Group

CBH has commenced a search for a suitable partner to develop Panorama, and PCF Capital Group has today been appointed to undertake a world wide selection process.
Mineral Resource Information
Panorama/Sulphur Springs

<table>
<thead>
<tr>
<th>Category</th>
<th>Million Tonnes</th>
<th>Zn%</th>
<th>Cu%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>4.5</td>
<td>3.2</td>
<td>1.6</td>
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<tr>
<td>Indicated</td>
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<tr>
<td>Inferred</td>
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<tr>
<td>Total</td>
<td>19.3</td>
<td>3.2</td>
<td>1.2</td>
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</tbody>
</table>

COMPETENT PERSON

The estimation of resources was undertaken by C.H. Lutherborrow, Consulting Geologist - Zilloc Pty Ltd. Colin Lutherborrow has sufficient experience relevant to the style of mineralisation, commodity and type of deposit under consideration to qualify as Competent Person defined in the 2004 Edition of the ‘AusIMM Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.

Kangaroo Caves

<table>
<thead>
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<th>Zn%</th>
<th>Cu%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>4.3</td>
<td>3.4</td>
<td>0.6</td>
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<tr>
<td>Inferred</td>
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<tr>
<td>TOTAL</td>
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<td>0.5</td>
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</table>

COMPETENT PERSON

The estimation of resources was undertaken by Mark Zammit BSc (Hons) MAusIM, Principal Consultant Geologist at Cube Consulting. Mark Zammit has sufficient experience relevant to the style of mineralisation, commodity and type of deposit under consideration to qualify as Competent Person defined in the 2004 Edition of the ‘AusIMM Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.

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