

Pty Ltd

Barry Dawes

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CBH RESOURCES LTD [CBH]

June Quarter 2004 update

Total operating cash flow of A\$5.3m in JQ04 (record Endeavour contribution).

Higher SQ04 earnings expected – production increases and lower unit costs.

Recommendation: STRONG BUY

CAPITAL STRUCTURE

ASX Code	CBH
Share price	A\$0.205
Market capitalisation ¹	A\$102.5m
Shares on issue	499.9m
Unlisted options	32.0m
12-mth low-high (A¢)	8.93 – 27
12-month volume	451.6m

¹Undiluted.

Source: IRESS

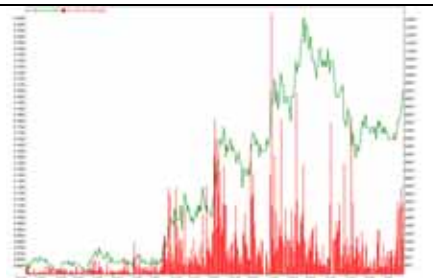
DIRECTORS

Chairman	Jim Wall
CEO & MD	Bob Besley
Non-executive	Lewis Marks
Non-executive	Ian Plimer
Non-executive	Robert Willcocks
Non-executive	Tatsuya Tejima
Non-executive	George Long

REGISTERED OFFICE

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Website: www.consbh.com.au

PRICE CHART (2 years)



Source: IRESS

KEY POINTS

- FY05 operating cash flow is estimated at around A\$25m, a prospective multiple of just 3.5 times the current share price.
- CBH initiatives since the September 2003 acquisition have increased capacity and lowered unit costs at the Endeavour Mine.
- Operating cash flow since the acquisition has now paid for the mine and CBH has a very strong growth outlook.
- CBH represent outstanding value at around 3.5 times cash flow and 3.0 times earnings (FY05 estimates).
- **Endeavour Mine, central NSW**
Record A\$6m JQ04 operating cash flow at Endeavour Mine from 16% increase in ore production to 304,942 tonnes (87% of current capacity).

Grades higher due to lower mining dilution, resulting in significant increases in metal production:

contained zinc up 25% from MQ04 to 21,092 tonnes,
contained lead up 19% from MQ04 to 10,535 tonnes and
contained silver up 5% from MQ04 to 8,828kg.

Production capacity now 1.4Mtpa although improvements in ore haulage flexibility during JQ04 should allow further increases.

Lower JQ04 recoveries due to plant capacity upgrades, therefore improvements expected when steady state production resumes in SQ04.

Paste fill plant to commence production by MQ05, allowing full ore extraction and greatly improved operational flexibility.

Endeavour exploration to start SQ04 – could add several million tonnes.

- **Broken Hill, NSW**
Mine planning and scoping studies underway.
- **Newcastle Shiploader, NSW**
Throughput up 38% to 101,000t, operating cash flow A\$762,000. New Tritton contract should see an increase to 500,000tpa from MQ05.

Furthermore, CBH has some relatively low cost options to increase throughput, which is still just 20% of the facility's capacity.

CBH is ridiculously cheap. Strong cash flows, output and reserve growth prospects and a quality asset base are worth far more than A\$100m.

Consolidated Broken Hill Limited
Metals: Price and Inventory 1985 – 2004

Zinc

LME Price US\$ / tonne



LME Stock Levels (000t)

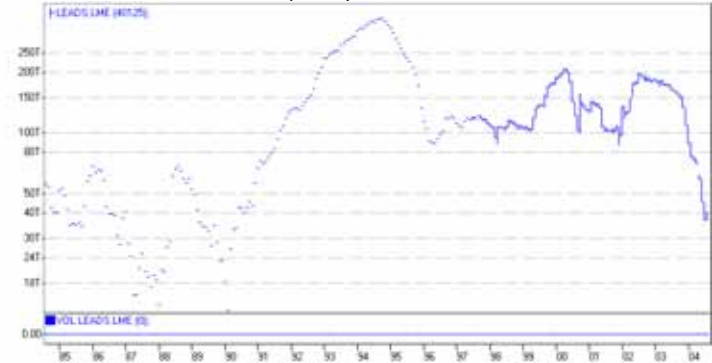


Lead

LME Price US\$ / tonne



LME Stock Levels (000t)



Silver

NY Price US\$ / oz



WHISecurities Pty Ltd

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