

CCR updates the market on production

Cobar Consolidated Resources (CCR) has released its latest production figures showing more than two tonnes of silver was produced during November, assisted by a significant "uplift" in grade during the last week of the month.

The mine processed 54,265 tonnes of milled material, providing a final feed grade of 80grams of silver per tonne.

The latest information comes after an announcement last month that the company would not meet its silver production targets to the end of 2012.

CCR's managing director Ian Lawrence said under the current plant configuration, approximately 30 per cent of the silver is contained in over-size material, which is stockpiled for later treatment through a ball-mill.

"Installation of the ball mill is underway and scheduled for completion by June 2013," Mr Lawrence said.

"CCR is well advanced with debottlenecking and improvement projects at Wonawinta.

"The company is in the process of implementing a batch processing strategy that will allow for the targeted treatment of high and low grade material to minimise loss of high grade ore to stockpiles while maintaining total metal input, and improving the efficiency of the milling operation as a whole."

Commissioning of the silver circuit is complete and the company expects to commission

a lead processing circuit in the next four to six months.

"The issues we experienced with ore grade during the month were disappointing, but we understand the cause of the error and have moved to rectify the issue immediately.

"We are dealing with a new ore body without many parallels, and we are gaining knowledge through operatorship as we look to ramp-up to 'nameplate capacity' of around 800,000tonnes per annum.

"Most importantly, there is no evidence to suggest the stockpile grade estimation issue

"We are dealing with a new ore body without many parallels and we are gaining knowledge through operatorship..." CCR's Ian Lawrence

should lead to a recalculation of Wonawinta's independently assessed resources and reserve base.

"At this stage we have processed less than 0.02 per cent of the 10 million

tonne ore body and have full confidence in the current resource estimates," Mr Lawrence said.

The company has engaged an independent consultant to review the resource calculation and also to audit mining control processes.

"While the November feed grade issue is regrettable the fact remains that we are operating a mine which has gone from an original JV agreement to production in less than 60 months.

"The company is well on the way to being a low cost silver producer benefitting from a buoyant silver price that is underpinned by a compelling story for sustained long term demand in the metal."

Reader questions council budget

Dear editor,
Considerable discussion has ensued throughout the Cobar Shire resulting from the proposal by Cobar Shire Council for a Special Rate Variation.

Comparison of balance sheets from 2008 with the present show an alarming deterioration in the figures over that short period.

From a debt-free shire with a considerable sum of cash held in fixed interest bank accounts this has been replaced with a large overdraft. From conversations I have had with others, the following are the main bones of contention from the ratepayers. Is the problem with funding a function of income or expense?

Council has used the argument that Cobar rates are lower than other comparable shires.

Whether this is the case is not the point.

The correct question to ask is what relative change has there been between local rates and comparable shire rates from 2008 until the present. The answer is very little. In other words Cobar has not fallen behind other shires in this income. It is the expense side of the balance sheet that is the problem.

Where has the blowout of expenses occurred? From my own perspective it appears that the swimming pool and main street upgrade are the culprits but I am not certain.

There may be others. I along with quite a few others believe that a full and frank disclosure is in order.

First of all where and when has the over-spending occurred?

Secondly how and or why was it allowed to progress unabated when it must have been clearly visible on budget versus actual figures?

Thirdly what steps have been taken to ensure a repeat does not take place?

Without the third condition there is every possibility that a year or two down the track another special variation will be sought.

A special rate variation is a big step. It is not just a single rate increase but a step increase which impinges on rates in future years.

Whilst it only affects the general rate, other three sections of household rates, water, sewerage and garbage will undoubtedly mirror the rise.

Peter Abbott, Cobar

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