LIMITED CUDECO
THE NEW FORCE IN COPPER

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ROCKLANDS COPPER PROJECT (CDU 100%)

DSO READY FOR SHIPMENT

BULK TEST OF DSO IN SMELTERS

After significant effort including numerous trails, exhaustive due diligence and discussions with several third parties, and with sufficient quantities of high-grade and DSO ore on the ROM stockpiles and bulk-tonnage crushing of various DSO products recently completed, 5 different Copper ore types, grades and compositions are being shipped for smelter testing.

Figure 1: Container full of DSO straight from the crusher screens estimated 85-95% Cu, (+40mm—110mm)

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Figure 2: High-grade DSO (+40mm) visually estimated at 80-90% Cu, scalped off the crusher screens and loaded into containers ready for shipment. Each container holds between 22-25 tonnes of predominately native copper (99.65% Cu), with cuprite (88.8% Cu), chalcocite (79.9% Cu) and various supergene copper species.

DSO crushing and beneficiation strategy and bulk-crushing of ore completed.

After numerous trials involving test crushing and ore-sorting, and after assessing various end-user specifications and investigating numerous options to CuDeco, a series of highly profitable DSO products are planned to generate early cash-flow ahead of completion of the Rocklands Process Plant.

A combination of crushing, scalping and ore-sorting will be employed, with the aim of meeting end-user specifications AND generating a cost-effective process to deliver the following end-products;

DSO product direct from Mobile or Primary Crusher (scalping using screens); visual grade estimate

- Scalped native copper product (+40mm -110mm) visual estimation averaging ~85-95% Cu
- Scalped native copper & chalcocite product (+110mm) visual estimations averaging ~25-30% Cu
- Crushed DSO direct from the pit dominated by native copper and chalcocite, averaging ~20% Cu

DSO product from Ore-sorter (induction sorting) - beneficiating crushed ore: (visual estimates)

- Ore-sorted native copper product (+20 to -40mm) averaging ~65-75% Cu
- Ore-sorted native copper product (+40mm -110mm) averaging ~75-85% Cu

Figure 3: High-grade DSO (+40mm) scalped off the crusher screens. Predominately native copper (99.65% Cu), with minor cuprite (88.8% Cu) and chalcocite (79.9% Cu) and various supergene copper species. Inset; crushed product under the –40mm conveyors and +40mm scalped native copper DSO product in containers in foreground.

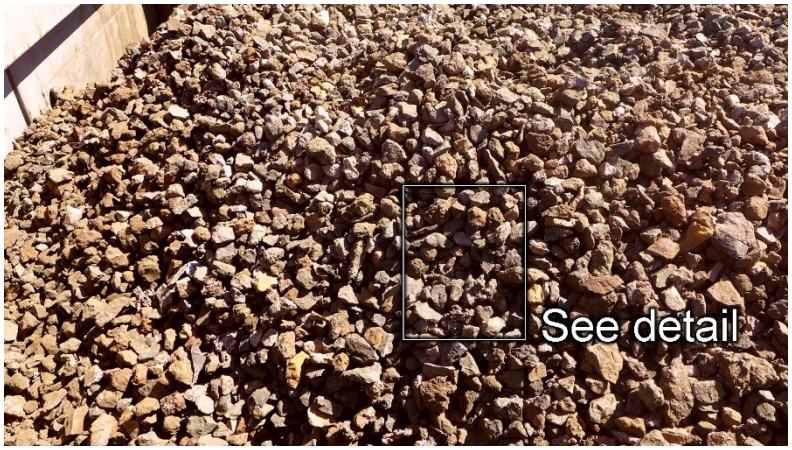


Figure 4: High-grade crushed ore (after removal of +40mm NCu) estimated(10-15% Cu - see detail above and right), stockpiled for processing through the Company's ore-sorter, loaded into containers for shipping. The crushed ore consists of native copper (99.65% Cu), with cuprite (88.8% Cu), chalcocite (79.9% Cu) and various supergene copper species.

Figure 5: Scalped coarse DSO (+110mm) product includes coarse native copper nuggets, coarse and fine native copper in rock matrix (native copper contains 99.65% Cu), chalcocite masses, blebs and infill (79.9% Cu), cuprite (88.8% Cu) and various secondary copper species, visually estimated at ~30% Cu in this batch.

Figure 6: Left; high-grade DSO (+40mm) visually estimated at 90% Cu in this batch, scalped off the crusher screens - predominately native copper (99.65% Cu). Right (top to bottom); close-up of +40mm scaped product; large 60kg copper nugget; -40mm crushed product; containers of +40mm scalped product; up-close detailed image of operating +40mm screens showing flattened native copper being removed; and large native copper nuggets of predominately native copper on the ROM with DSO containers in the background.

The shipments of the various grades and types of DSO are to be inspected at Shanghai Port by a number of Chinese smelters that want to purchase the various DSO ores.

The company will decide what DSO ores are sold to what smelters on acceptable terms, and subject to finalising agreements with the selected groups.

The bulk samples of the various DSO is to find the right smelter for the right product. The additional product is due to the higher than expected copper grades from the native copper zones. The processing of these zones is by simple crushing and screening allowing the +40,mm fraction native copper to be screened off leaving the –40mm (which includes the fines) to be tested in a smelter. The –40mm fraction size includes native copper less than 40mm size and chalcocite.

The bulk samples are already loaded into containers and are expected to be shipped this week. If successful, it will provide yet another early revenue stream to the Company prior to commissioning of the Process Plant. The Shanghai Spot Price for Copper is approx. $US1040 higher than the LME price.

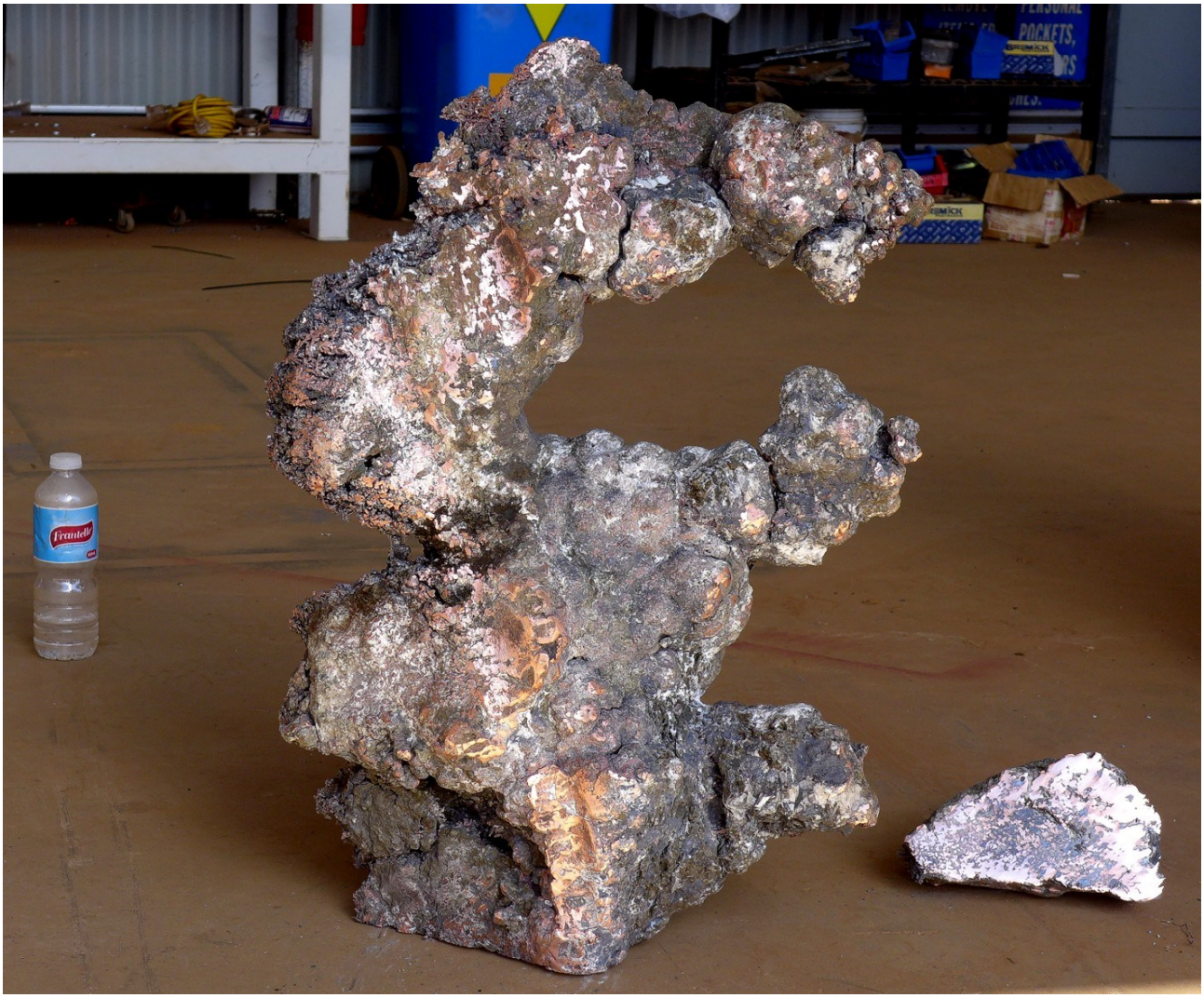
Delivery of refined copper product within mainland China is currently fetching significant premium to LME pricing for spot copper, recently quoted to the Company at US$8,400 per tonne, so remains a significantly

Figure 7: Large 130kg predominately native copper mass, with marks from the jaw crusher imprinted onto its surface. See following page for further details.

attractive option.

The premium over LME pricing not only covers the cost transporting the copper products to China, but results in significant premium over local sales.

On behalf of the board.



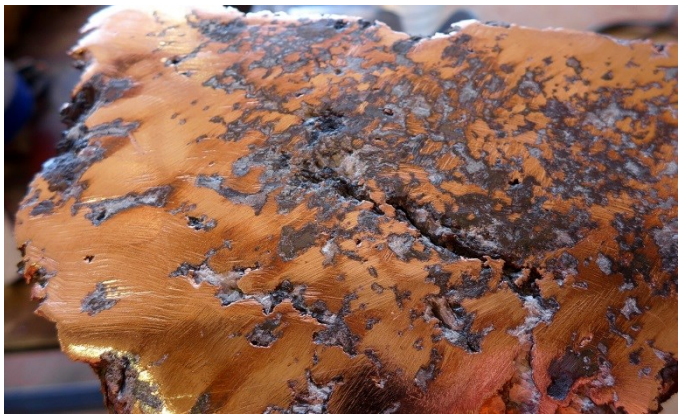


Figure 8 (above); large predominately native copper mass weighing ~130kg, with marks from the mobile jaw crusher imprinted onto its surface. This sample did not appear particularly solid at first glance (see Figure 7 previous page), but once a thin layer of surface rock was removed with a hammer, near solid copper metal was revealed.

Figure 9 (left); the end piece cut from the above large nugget to create a base revealed near solid native copper metal (99.65% Cu), surrounding chalcocite (79.9% Cu), minor cuprite (88.8% Cu), and remnant minor calcite. This sample estimated at ~95% copper content by weight.

Significant interest exists for these remarkably rare mineral specimens.

Competent Person Statement

Information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by Geoday Pty Ltd, an entity engaged by Cudeco to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and is a Member of the Australian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Day consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report insofar as it relates to Metallurgical Test Results and Recoveries, is based on information compiled by Mr Peter Hutchison, MRACI Ch Chem, MAusIMM, a full-time executive director of CuDeco Ltd. Mr Hutchison has sufficient experience in hydrometallurgical and metallurgical techniques which is relevant to the results under consideration and to the activity which he is undertaking to qualify as a competent person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.

Rocklands style mineralisation

Dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.

Disclaimer and Forward-looking Statements

This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

The estimation of grades of the native copper product is visual and may be slightly higher or slightly lower. The only contamination maybe some small amounts of rock still being attached after crushing, but visually the native copper nuggets are very clean and the rock fractured off with minimal crushing. The purpose of having these various types and grades tested in the smelters to give an accurate grade and smelter recovery."