

MARKET RELEASE

24 February 2017

OPERATIONAL UPDATE

AWARD OF MINING CONTRACT

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that after an extensive tender process, the Board has awarded the Mining Contract for the resumption of Stage 1 of the Rocklands Copper Mine to **ANDY'S EARTHMOVERS (ASIA PACIFIC) PTY LTD** (Contractor).

The scope of the award is for an initial Phase-1, 6-month fixed rate Contract for the first part of mining of the Las Minerale Stage-2 Pit.

Thereafter CuDeco reserves the right to award Phase-2 of the Rocklands Mining Contract to the Contractor at any time during the 6-month Contract period, subject to satisfactory mining operating performance. Phase-2 is simply a continuation of mining of the remainder of Las Minerale, Rocklands South, Rocklands South Extended and Rainden Pits.

- Phase-1 involves the mining of approximately 1.2Mt of ore and 3.8Mt of waste from the LM2 Pit, to an RL of 145m (~35-40m below current LM2 Pit floor), and
- Phase-2 involves mining of the ore and waste in the remainder of Las Minerale, Rocklands South, Rocklands South extended and Rainden pits.

The Contractor will provide a full service mining model and will be responsible for the provision of:

- Manning and Supervision
- Mining Fleet
- Load and Haul
- Drill and Blast
- In-pit Dewatering
- Fleet Maintenance
- Road Maintenance
- Waste Dump Rehabilitation

CuDeco will provide all management and technical control of the Mining Contract, with mining anticipated to commence in mid-March 2017. The Contractor will commence mobilization immediately.

The Contractor, Andy's Earthmovers is a highly experienced Mining Contractor currently undertaking the Life of Mine Contract with Hillgrove Resources Ltd (ASX:HGO) at the Kanmantoo Copper Mine in SA. We welcome this opportunity to have Andy's Earthmovers as partner with the CuDeco team.

On behalf of the Board.

ENDS.

Head Office

Suite 11A, Level 11, 100 Edward Street, Brisbane, 4000 Australia
Tel.+61 7 3210 5900
Email admin@cudeco.com.au www.cudeco.com.au

Cloncurry Operations

Corella Park Road, Cloncurry Queensland 4824 Australia
P.O. Box 530, Cloncurry, QLD 4824 Tel.+61 7 4742 4800
Email cloncurry@cudeco.com.au www.cudeco.com.au