

MARKET RELEASE

14 March 2017

OPERATIONS UPDATE

GETTING ON WITH BUSINESS – MINING TO RECOMMENCE

Queensland copper producer CuDeco Limited (ASX:CDU) announced today it is getting on with the business of producing copper after a recent period of significant change for the Company.

Processing is underway and again ramping up towards nameplate capacity, systems and procedural reviews designed to improve recent performance have commenced, and mobilisation of the contract mining fleet is underway with large scale mining equipment now arriving at site.

Mining recommencement is anticipated on March 15th.

Interim Chairman Peter Hutchison said *“Corporate distractions have dominated shareholder perspectives for too long. I am pleased to say this is almost behind us now, and with mining commencing imminently I am confident we are finally heading into a period of robust performance.”*

The recent appointment of two very capable individuals in Mark Gregory (CEO) and Jiang Gongyang (COO) to oversee and guide Rocklands from this point forward, is already having a positive impact at site, and I anticipate we will see the operational and financial benefits flow through very shortly.”

Whilst revenue streams continue to build and the process plant approaches nameplate throughput, the Minsheng Bank have indicated strong ongoing support for the Rocklands Project.



Figure 01: Rocklands Staff with new Chief Executive Officer (CEO) Mark Gregory (4th from right), new Chief Operating Officer (COO) Jiang Gongyang (5th from right) and recently appointed Acting General Manager (AGM) Joe Skryzniuk (6th from right).

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Figure 02 (from left to right): CuDeco's Joe Skryzniuk (AGM), Mark Gregory (CEO) and Jiang Gongyang (COO), conducting a strategy meeting at Rocklands.

Notable activity at Rocklands:

- First of two sulphide concentrate shipments for March have been shipped; 3,704 (WMT) @ 24% Cu, 3.74 g/t Au. (This equates to dry concentrate grades of 26.6% Cu and 4.14g/t Au).
- Mining Contractor has mobilised to Rocklands, is currently completing site induction requirements, and plans to commence mining operations on 15th March 2017.
- Crushing plant capabilities are being increased to ensure nameplate capacity can be maintained, with the delivery 200tph mobile crushing plant, expected on site shortly.
- Recent operations suspension by Department of Natural Resources and Mines (DNRM – re Health and Safety Management plan) was lifted on 24 February. Operations recommenced the same day at 1800 hours as scheduled.
- Review of Health and Safety Management plan continues, with an external audit commissioned by CuDeco scheduled for March 2017.
- Water Storage Facility at capacity, with six additional water bores scheduled to come on line by end July 2017, ensuring our water needs will be easily met in the period ahead.
- Mining Contractor and CuDeco staff working well together to identify system improvements to Mining Production, including haul road design and ROM Management.

Mark Gregory said *“Rocklands is a fantastic Project that has every reason to be a highly successful producer. Since my appointment I have met with senior Rocklands management and staff, and I am impressed with both their capability and commitment to the Project. With the right support and direction, I see no reason for the Project to not only thrive but grow considerably. We have the right commodities at the right time and the assets and infrastructure in place to exploit them. Our role now is to convert this into revenue and earnings for the benefit of all stakeholders.”*

On behalf of the Board.

ENDS