

MARKET RELEASE

30 November 2018

CUDECO LIMITED 2018 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

Thank you for attending today's Annual General Meeting – your support is greatly appreciated.

I would like to talk briefly about the activities and results of the past year and how we see the Rocklands Copper Mine and the Company moving into 2019.

It is often said that our people are our greatest asset, and nothing could be closer to the truth than for CuDeco's loyal employees. 2018 has been a year of challenges and hurdles and, combined with the success of overcoming many of these there has been the difficulty of having to deal with some outside their sphere of control. My thanks go to you for your hard work and support.

I'd like to acknowledge and thank all CuDeco Board members for the support they have given to the Company and to myself, particularly over the latter half of the year, and for their hard work behind the scenes.

Board, management changes

I'd like to especially thank Paul Keran, who retired from Board duties during the year, for the untiring support he has given the Company and myself both at Board level and at a technical level during the development and design of the metallurgical process for Rocklands.

Mr Chiwei Wang also resigned during the year due to his deteriorating health, having brought the benefit of his long involvement in mining to the Board.

Other changes within the Board have been the resignation of Valuestone nominee director Benjamin Zhai, and the appointment of Stephen Yip to replace Benjamin, who remains as alternate director for Stephen. I'd like to thank Benjamin for his service and particularly for ensuring the continued support of his company during a difficult year.

There have also been some changes to the senior management team during the year. Logan Francis was appointed as contract General Manager in July 2018, and during this time successfully managed the site through the most difficult period the Company has experienced to date. Unfortunately, Logan has just decided to leave the Company to pursue other opportunities and we thank him for his significant contribution.

Mr Gongyang Jiang resigned as CEO in July 2018 for personal reasons, and alternate director Garry Zhu has since assumed the role as Acting CEO to assist with the debt and financial restructuring process.

The Board has continued to engage Mr Mark Gregory as a consultant to provide valuable assistance to the CEO position and we thank Mark for his valuable contribution to the Company during this time.

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Lessons learned

Since the last AGM, the challenges faced by the Company have been well publicised.

What is important is for us as a Company to learn from these experiences to ensure we are in a better position going forward.

In safety, we have applied additional resources to ensure the administration of the Company's Health and Safety Management System is performing well and reflects our policy of safety being our number one priority.

Concerning production, we have seen some excellent results but also some more challenging periods. We have learned from these experiences, such as in undertaking additional testwork that has given preliminary indications of much better results when treating the supergene/native copper ores.

The successful installation and commissioning of the bypass of the native copper/gravity treatment section enabled the processing plant to be frequently operated at close to nameplate throughput rates. This was highlighted by the record production of 240,000 tonnes for November 2017, whilst shipping 9,900 wet metric tonnes of concentrate.

However, subsequent difficulties encountered in processing the supergene / native copper ores in the first half of 2018 required a major rethink.

We suspended operations while undertaking a detailed review of the Company's operations, management and financial structure.

The majority of this review has now been completed and we anticipate improved results. Nevertheless, we will continue to undertake ongoing assessment and review of operations, to ensure an efficient and sustainable operation.

Positive outlook

As we look forward to 2019, I believe that we will achieve steady and reliable production at Rocklands, at levels capable of generating positive operational earnings and cash flow.

Copper, our key product, has also seen fluctuations during 2018 but remains elevated compared to historical levels.

At its current price of around A\$8,600 per tonne, the red metal is some 35% higher than when production commenced in mid-2016. All the signals point to a strong ongoing market for copper in medium to longer-term, reflecting the growth of the global economy.

Meanwhile, the continued strength of the cobalt market has given the Company renewed prospects through its recently announced MOU with Cobalt Blue Ltd. A successful outcome of this partnership could see an expansion of the Company's reserve, both through the inclusion of cobalt revenue and improved economics for recovering some current uneconomic copper resources.

The Company is also at a very advanced stage of negotiations with a specialist provider for the reprocessing of the Rocklands tailings, both current and future.

The Company's senior geologist has also been recently reviewing the exploration programme with the aim of expanding our resource base.

We aim to introduce a more intensive exploration programme focused on site-based targets previously identified, with the aim of producing a mining reserve from those orebodies, as well as continuing the ongoing programme associated with existing EPM's.

I believe that a targeted exploration programme is vital to the Company's long-term success and it is important that we allocate funds in the coming year to further enhance the available resources of good grade ore.

The Company will keep the market updated as CuDeco's balance sheet restructuring is finalised, which should provide a robust financial platform for the Company's future operations, growth and development.

In this regard I would like to acknowledge the support of our major shareholders, particularly Oceanwide, Rich Lead, Garry Zhu and Sinosteel and thank them for their unwavering confidence in the Company.

Thanks also to the other shareholders that have contacted us during the year with words of encouragement, positive suggestions and support as this feedback is important for the Company's consideration.

The Company sincerely thanks all its hard-working employees for meeting the many operational challenges facing them and for their valuable contribution to the success of continued improvement.

The Board looks forward to continuing its close working relationship with the Company's management team, and trust that by building on this we will deliver to our shareholders successful and profitable outcomes following the completion of our restructuring.

Thank you.

Yours sincerely

Peter Hutchison

On behalf of the Board.

ENDS.