

**ROCKLANDS COPPER PROJECT (CDU 100%)**

**HIGHLIGHTS POST-QUARTER END**

**HONG KONG DUAL-LISTING ON TRACK**

Expert Management Team Appointed

**QUARTER HIGHLIGHTS**

**ROCKLANDS CRUSHER OPERATING**

Rocklands rectification and re-commissioning completed to operational capacity, with potential for significantly increased throughput

**SHIPMENT OF 22,000 TONNES OF ORE TO GLENCORE'S  
ERNEST HENRY MINE (EHM) FOR TOLL-TREATMENT**

Trial shipment successfully evaluates suitability of Rocklands primary ore for treatment in the EHM mineral processing plant, and the general handling and processing characteristics of large-scale processing.

**CONTRACT AWARDED FOR TESTWORK AND PURCHASE  
OF FIRST NATIVE COPPER SHIPMENT**

First shipment (170 tonnes) of native copper and copper in concentrates for smelter trials and negotiations underway in China and Korea for native copper concentrate off-take agreements

**DEVELOPMENT**

- Rocklands Process Plant - major components installed, nearing structural completion
- Construction of Tailings Storage Facility completed

**MINING**

- Las Minerale native copper zone - some of the worlds highest copper grades, up to 46.5% Cu in grade control
- Mining focusses on LM1 & LM2 Pits, accessing both supergene and primary ore types
- Mining of native copper ore re-commences from LM1 after crushing clears ROM stockpiles that had reached storage capacity
- Significant additional ore defined in surface bedrock drilling programme at Rocklands South Pit, in areas conservatively excluded from resource block model

**PRODUCTION**

- Crushing of native copper ore through the Company's primary crushing circuit generates numerous products suitable for sale, or further processing via ore sorter.
- Ore-sorter operational after significant construction works to integrate the ore-sorter circuit into the crushing circuit. Ramp-up processing underway as adjustments are implemented to achieve optimum production rates.

## EXPLORATION

- Desk-top analysis of geophysics and geochemical surveys, field sampling and mapping, and target generation ongoing. Activity is ongoing at EPM18054, EPM25426 and ML90177
- EPM18054 - soil sampling programme ongoing
- EPM25426 - field reconnaissance commenced
- ML90177 - extensions to know mineralisation investigated

## OTHER

- The monitoring of; air quality; groundwater; surface waters are ongoing and progressing well with no anomalies detected
- Safety awareness increasing - Lost Time Injury (LTI) free for the quarter.

## CORPORATE

- Binding memorandum of understanding (MOU) signed between CuDeco and China State-owned Sinosteel - Sinosteel to complete the entire electrical installation
- Memorandum of Understanding (MOU) entered into with CuDeco's largest shareholder, Hong Kong based, China Oceanwide International Investment Co. Ltd, ("Oceanwide"), who intends to increase its shareholding in CuDeco up to 19.9% subject to FIRB approval. The total consideration for the purchase of the shares is up to A\$30,000,000.
- Share Placement completed with investment fund Haitong-AC Asian Special Opportunities Master Fund, based in Hong Kong for the issue of 4,902,410 fully paid ordinary shares raising \$6,152,525.
- Placement negotiated with international shipping, logistical and transportation Company for 2,433,830 fully paid ordinary shares at \$1.30 to pay \$3,163,979 for services provided in the transporting from China to Rocklands.
- The Company's 2014 AGM was held in Cloncurry

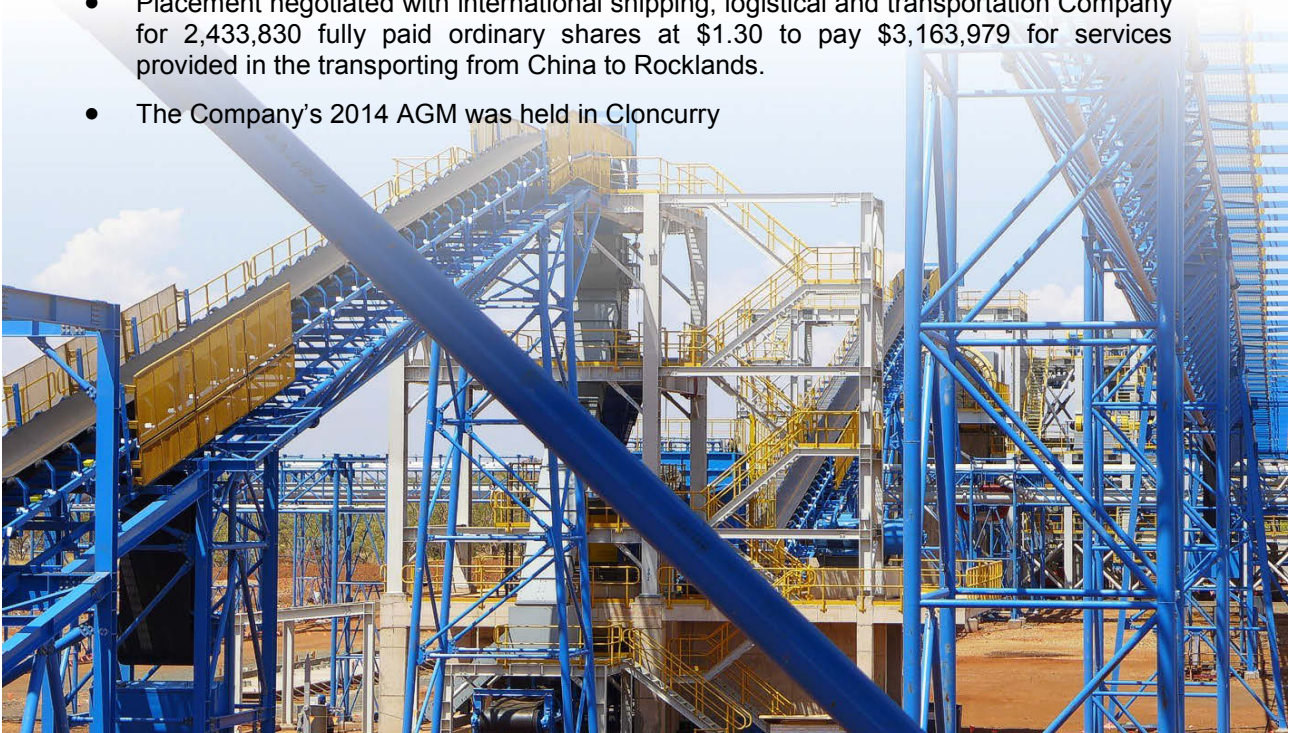


Figure 01: Rocklands Process Plant - major components installed, structural completion underway.

### Hong Kong dual listing gains momentum

The Company has appointed a Management Team which includes independent professional advisors and experts in Hong Kong, for the listing of CuDeco Ltd Securities onto the Main Board of the Hong Kong Stock Exchange. The Board considers such professional advisors are of significant experience and qualification to assist the Company in its proposed listing. The listing in Hong Kong will result in the Company being dual listed, which will allow trading of CuDeco securities on both the Australian and Hong Kong Stock Exchanges. The Company does not intend to raise any fresh equity from the Hong Kong listing.

This new chapter in CuDeco's history has always been a focus of the Company's long-term plans and goals.

The dual listing for CuDeco in Hong Kong will open new avenues and allow CuDeco to pursue future opportunities in Australia and elsewhere, as we move forward to develop CuDeco long term plan by developing our Company into a major mining house. The focus remains to focus on Rocklands with production and dividends. Hong Kong is the financial hub of Asia and the listing will position the company on a major global platform providing access to global institutional investors wanting to take advantage of the potential opportunities in the mining and metals industry in Australia during these times.

Shareholders of CuDeco can, at their own decisions have their securities listed in Hong Kong or Australia and can buy and sell CuDeco securities through their Australian or Hong Kong Stockbroker. A detailed explanation will be sent to all CuDeco shareholders as we get closer to the listing date.

The Companies and Independent Professional Advisors have been formally appointed and mandated to assist as required under the guidance of the appointed and mandated teams for the Listing of the CuDeco Ltd Securities on the Main Board of the Hong Kong Stock Exchange (HKSE).

A copy of the Prospectus will be made available to current shareholders on completion of the final printing of the document and lodgement and approval from the HKSE and Regulators.



*Figure 02: LM1 and LM2 Pits being mined concurrently. Blast drilling underway in background as mining continues in the foreground.*

### Rocklands Crusher operating

#### **Crusher Rectification and Re-commissioning Completed to Operational Capacity, with Potential for Significantly Increased Throughput**

Re-commissioning of the Rocklands Copper projects main crusher circuit was completed during the quarter, including fine tuning and small in-house modifications to increase operational time and to decrease operational down-time. Feed rates were achieved up to the nameplate capacity of 550 tonnes per hour. Indications from our experienced crusher operators suggest up to an additional 200 tonnes per hour is achievable as a result of the rectification work undertaken.

The Company carried out rectification works to the Main Crushing circuit, which was supplied and installed by Queensland company Index Industrial Brokers (Index-EMS), from Brisbane.

The crusher plant required major rectification works and improvements of the electrical systems, particularly because the installation failed to comply with relevant contractual standards, Australian Standards and Queensland Mining Regulations. The Company also had to replace two failed gearboxes in the secondary and tertiary roller crusher circuits and was required to replace a number of other sub-standard parts during this period.

The Company has issued legal proceedings in the Supreme Court of Queensland against Equipment & Machinery Sales Pty Ltd for the recovery of all costs and damages associated with the substandard installation.



*Figure 03: Scalping screen used for removal of the coarse (+40mm) native copper*



Figure 04: The crusher is fully operational, and is currently crushing and scalping native copper ore.



Figure 05: Conveying ore from the Primary Jaw Crusher to the screen above No 1 Rolls Crusher



Figure 06 (right); large predominately native copper mass weighing ~130kg, with marks from the mobile jaw crusher imprinted onto its surface.

Recent experience with processing high-grade native copper ore through the Company's mobile crusher to produce DSO native copper (see ASX Announcement 08th September, 2014) gave a good indication of the potential size of native copper nuggets that could be encountered (see Figure 06).

In response, an additional scalping screen above Number 1 Rolls Crusher was installed to enable the separation of the oversize (+200 mm fraction size) native copper nuggets for recovery and sale as part of the DSO.



Figure 07: Crusher Operator checks settings on the Crusher Control Panel

### Shipment of 22,000 tonnes of primary sulphide ore sent to Glencore's Ernest Henry Mine (EHM) for toll-treatment

Preliminary results from the mineral processing testwork at the Glencore-owned Ernest Henry Copper Mine processing plant were outstanding and surpassed expectations, considering only thirty hours of throughput was possible for the Rocklands ore.

**Assay grade of copper/gold concentrate produced from 22,000 bulk-ore processing trial;**

**Copper in Concentrate = 37.6% Cu**  
**Gold in Concentrate = 8.5 g/t Au**

Approximately 22,000 tonnes of sulphide primary ore at 1.36% Cu +0.49g/t Au was mined and transported, for the trial, the first and only sulphide ore mined at Rocklands to date. The near surface sulphide ore for the testwork was excavated from the South-East end of the Las Minerale Pit, immediately adjacent to the Native Copper zone. The ore was processed in a thirty hour window over two days, to test the ore for handling, crushing, milling, flotation and filtration characteristics through a full size production mineral processing facility. CuDeco metallurgists conclude the result demonstrates that the Rocklands primary ore is amenable to high recovery and as having good metallurgical characteristics for processing through flotation treatment.

The testwork revealed no issues with processing the ore and the results were described as exceptionally pleasing, given that normally a much longer period of time is required to settle the circuit down before controlled adjustments of reagents within the rougher and the cleaner flotation circuits can be made. Recoveries were increasing over the period of the trial without optimum conditions being reached.

During the trial the Company was provided with samples of final copper concentrate by EHM, for the purposes of testing by potential smelter customers. These samples were taken from the concentrate storage stockpile containing concentrate produced from the trial processing of Rocklands primary ore.

Although not necessarily representative of the average concentrate over the full trial period, it is pleasing to note that the copper grade result from SGS laboratories of 37.6% Cu represents a higher than normal grade for a primary ore, and reflects the presence of chalcocite, observed as being visually present in the flotation product, rather than principally, chalcopyrite.



Figure 08: Contractor loading road trains with Rocklands primary ore ready for shipment to EHM processing plant



*Figure 09: Approximately 20 thousand tonnes of primary ore stockpiled and ready for shipment to EHM.*

Primary chalcopyrite concentrate grades during CuDeco's metallurgical test programmes were consistently around 32% Cu, whereas supergene chalcopyrite concentrates ranged from 40 – 46% Cu, with a highest of 64% Cu; these with recoveries exceeding 90%.

Processing of the Rocklands ore during the early years of production, where the process feed will contain predominately secondary sulphides such as chalcocite (Chalcocite contains 79.8% Cu), will result in much higher concentrate grades than if the ore contains principally chalcopyrite (Chalcopyrite contains 34.6% Cu). In addition to this, there are several transition zones present such as the zone in Las Minerale from where the primary ore was extracted for the EHM bulk processing trial. The presence of chalcocite will produce a higher concentrate grade, such as has occurred in this instance at some stage during the trial.

At Rocklands, and particularly during the exploration phase of the Project, there has existed a strong direct relationship between gold grade and copper grade, with similar relationships being obtained from the production of concentrates during the metallurgical laboratory and pilot test programmes.

This relationship was observed during the bulk processing trial where the higher grade of 8.5 grams per tonne was achieved at the higher copper in concentrate grade. The higher grade gold in similar concentrates in the future will have a major positive impact on product revenues.

As discussed above, the results from the bulk processing trial reflect the results obtained in all the metallurgy testwork and illustrate the "metallurgical efficiency" of the Rocklands ores, and also demonstrates the flow-on value from producing and selling higher grade concentrates through savings in transport, smelting charges and power savings.

CuDeco is in the final stages of construction of its 3 million tonne per year, mineral processing facility and mining is gradually ramping up and currently averaging ~30,000 tonnes per day. Options exist to accelerate mining of ore from 3mtpa, in order to supply a further 2-3 million tonnes of ore per annum to third parties, should an agreement be reached. CuDeco only utilises a portion of its 100% owned earthmoving/mining fleet, and at present is mining on a 12-hour day-shift only basis.

Any future toll processing at EHM will be the subject of a further ore supply agreement between CuDeco and Glencore. Under the 22,000 tonne trial ore supply agreement, Glencore agreed to purchase the copper concentrates under an "Offtake Agreement", based on the ore supplied by CuDeco and processed at Glencore's Ernest Henry Mine processing facility under this agreement.



### Contract awarded for test-work and purchase of first native copper shipment

The first shipment for smelter test-work of native copper product produced from the Rocklands Project was awarded to a Chinese buyer. A total of 170 tonnes of varying copper concentrate grades were shipped in containers. Furnace test-work was also carried out in Australia during the quarter which were very successful

Demand for the shipment was so high that the buyer paid a deposit of \$US500,000 to secure the furnace and smelter test-work and for the right to purchase the total shipment.

The Company has numerous offers for long term purchase of native copper, but will wait for the outcome of the test-work before proceeding with long-term offtake agreements.

The number of smelters/buyers that applied and inspected the shipment for the test-work, and subsequently applied for a contract for the purchase of the native copper DSO product from Rocklands was overwhelming. The native copper product is in high demand from smelters, due its clean nature. It contains little in the way of impurities or pollutants, and no deleterious materials of environmental concern. This was very appealing to the smelters.

The high-grade nature of the native copper concentrate makes it suitable for use as copper feed for cooling of the converters during the smelting process, which is usually achieved by recycling blister copper produced by the smelting process back into the furnace. Feeding native copper concentrate instead of re-feeding the blister copper results in significant cost savings to the smelters (which can be as high as 15%), as well as producing a proportional increase in copper production.

CuDeco is crushing high grade native copper ore from the ROM pad stockpile to produce various fractions and copper concentrate grades. To further increase some of these concentrate grades, the Company has recently installed, and is currently commissioning and ramping up to full production, an ore sorter anticipated to upgrade native copper concentrate to ~90% Cu, at rates up to 200 tonnes per hour throughput. The ore sorter was not part of the original design for the mineral processing plant and is being installed to treat the +40mm fraction prior to commissioning of the main processing plant.



Figure 10: Container full of DSO straight from the crusher screens estimated 85-95% Cu, (+40mm -110mm)



Figure 11: 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).

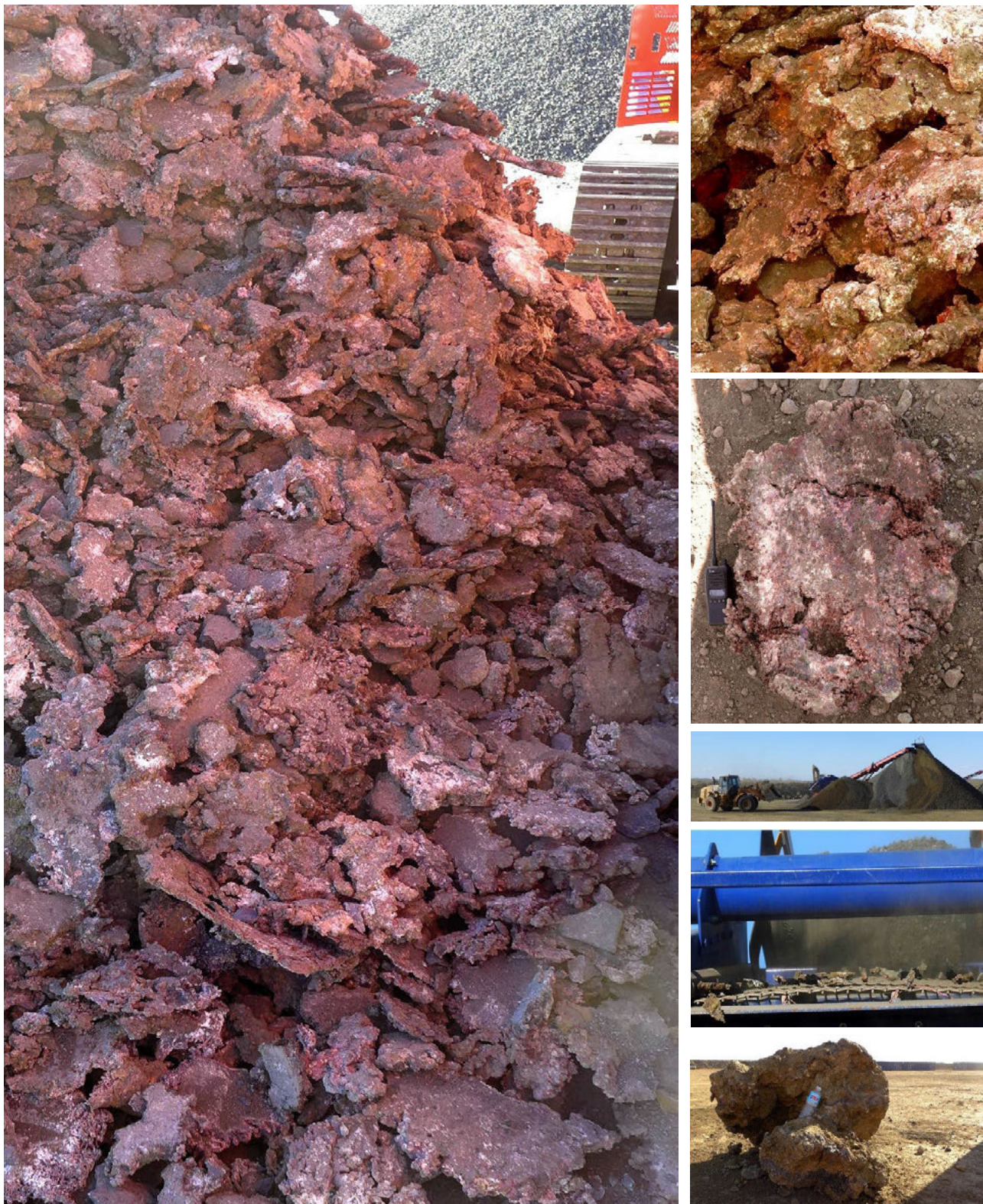


Figure 12: Left; high-grade DSO (+40mm) visually estimated at 90% Cu in this batch, scalped off the crusher screens - predominately native copper (99.65% Cu). Right (top to bottom); close-up of +40mm scalped product; large 60kg copper nugget; -40mm crushed product; containers of +40mm scalped product; 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 ore sorter was designed and constructed in Germany. Ore sorters are now used in an increasing number of mining and retreatment process plants around the world for upgrading feed to mineral processing plants. They can separate mineral from rock at a high speed and high feed rates which allows process plants to be more efficient by processing more mineral and less rock.

CuDeco carried out an extensive bulk test programme using and ore sorter offered for test-work in early 2014 from German manufacturer Steinert. The ore sorter was operated at Rocklands with amazing success. Although the test programme only operated in the range of 15-30tph, the ore sorter upgraded the product to a ~75-90% Cu concentrate grade. The recently purchased ore sorter is a full production size capable of up to 200tph throughput.

The main Rocklands mineral process plant is designed to process the -40mm native copper product at the rate of 9,000 tonnes per day (375 tonne per hour). The ore sorter is being included into the crusher circuit to treat the +40mm fraction size, providing an additional avenue for generating direct shipping ore (DSO) product.



Figure 13: High-grade DSO (+40mm) scalped off the crusher screens. Predominately native copper (99.65% Cu). Inset; crushed product under the -40mm conveyors and +40mm scalped native copper DSO product in containers in foreground.



Figure 14: Rocklands Process Plant - major components installed, structural completion underway.

## DEVELOPMENT

CuDeco is developing one of the most significant copper discoveries in Australia in recent decades. The Rocklands global deposit is dominated by primary copper mineralisation, however the first 10 years of production will treat large zones of supergene enriched ore including expansive zones of coarse native copper.

The Rocklands Process Plant is among the most advanced designed plants globally and is capable of concurrently processing numerous ore types and concurrently producing numerous products, including ore containing various native copper fraction sizes that will be processed through one of the worlds largest continuous gravity jigging circuits.

### **Ore-types to be concurrently processed at the Rocklands Process Plant include;**

- Native copper ore (coarse, medium and fine)
- Primary sulphide copper ore (chalcopyrite)
- Secondary sulphide copper ore (chalcocite)
- Oxide copper ore blended with other ore types (malachite, azurite, cuprite, tenorite)
- Primary sulphide cobalt ore (pyrite)
- Gold (as a by-product)
- Magnetite (via magnetic separation)



Figure 15: Rocklands Process Plant - major components installed, structural completion underway.



Figure 16: Rocklands Process Plant - major components installed, structural completion underway.



Figure 17: Rocklands Process Plant - major components installed, structural completion underway.



Figure 18: Rocklands Process Plant - major components installed, structural completion underway.

The Rocklands Process Plant is designed to process more than 3 million tonnes per annum of ore and will concurrently produce six mineral products in five separate circuits;

### Copper - cobalt - gold - magnetite - pyrite (sulphur)

The above end-products will be shipped in four final concentrates;

- Coarse and Fine Native Cu metal (+Au credits)
- Copper sulphide / Oxide concentrate (+Au credit, +Ag credits)
- Pyrite / Cobalt Concentrate (+ sulphur credits, +Ag credits)
- Magnetite Concentrate (to specification suitable for washeries or metallurgical)

### Copper recovery is split into three distinct areas;

- Primary Crushing Circuit to recover coarse native copper (+40mm) via scalping and ore-sorting
- Gravity Circuit (jigs, spirals and tables) to recover sub 40mm native copper fraction, down to 0.2mm fine native copper
- Flotation to recover predominately copper sulphides (can also batch-process oxides) to a concentrate. Sub 0.2mm native copper fraction will float

### Civils and installation

- HPGR unit and infrastructure installed
- Ball Mill unit and infrastructure installed
- Scrubber unit and infrastructure installed
- Jigging Process area unit and infrastructure (screens and pump boxes) installed
- Tabling Area - unit and infrastructure ( tables, screens and pump boxes) installed
- Spirals unit and infrastructure (pump boxes) installed
- Gravity thickener - unit and infrastructure (pump boxes) installed
- Tails Thickener - unit and infrastructure (pump boxes and floc unit) installed
- Flotation Area - Tank installation unit and infrastructure installed
- Concentrate thickeners x3 - installed
- Concentrate filters – units and infrastructure installed
- Power House – currently undergoing LV commissioning.





Figure 19: Rocklands Process Plant - major components installed, structural completion underway.

## Last remaining major infrastructure

The last remaining major infrastructure item to be constructed, the Tailings Storage Facility (TSF), was completed mid December ahead of schedule, under budget and prior to the wet-season rains.

The pipeline connecting the Process Plant to the TSF is nearing completion.

## Minor civils and infrastructure still ongoing or recently completed includes;

- Reagent Mixing area - completed
- Lime storage area – 85% complete
- Flotation compressor area. – construction commenced
- Concentrate filtration (x3) - complete
- Concentrate storage sheds (x3) - complete
- Stockpile tunnel – under construction
- Conveyor footings – complete
- Pipe rack footings – complete



Figure 20: The TSF contract was completed mid December under budget and ahead of schedule

### LAS MINERALE NATIVE COPPER ORE ZONE - SOME OF THE WORLDS HIGHEST COPPER GRADES

## GRADE CONTROL RESULTS UP TO 46.5% Cu

The Rocklands Project contains 11 main ore-bodies, 9 of which will only be partially accessed in the first-stage 10-year mine plan. Two of these orebodies (Las Minerale and Rocklands South - contain a unique supergene-enriched zone, characterised by pervasive high-grade coarse native copper and associated chalcocite ore, that persists from near-surface to depths of ~180m, widths up to ~45m and have a combined native copper/supergene zone strike length of ~1200m.

**THE ROCKLANDS SUPERGENE ZONE IS UNPARALLELED IN THE WORLD AND HAS CLEARLY FORMED IN A VERY UNIQUE GEOLOGICAL SETTING**



Figure 21: The orebody is marked up on the pit floor by geologists who detail the location and extent of the ore type and copper grades for mining. To illustrate the value of the Las Minerale high-grade native copper zone being mined; each dump truck load of 30% Cu ore carries an approximate value of ~A\$210,000 of copper metal per truck. With a dump-truck being loaded every three minutes, approximately A\$1m worth of contained copper metal is being mined from these high-grade zones every 15 minutes. The LM1 Pit is currently accessing just 120m strike of the Las Minerale supergene ore zone which has a total strike length of ~600m, continues pervasively to depths of 180m and is up to 45m wide. The 600m long supergene ore zone occurs within the Las Minerale orebody that contains predominately primary sulphides, is up to 120m wide and remains open at depth below the deepest drill intercepts at ~650m.



Figure 22: High-resolution ore mark-ups are used in conjunction with careful data control and truck monitoring, to maximise ore control and minimise mining loss and/or mining dilution. The top image shows a close-up of the pit-floor mark-up details including ore boundaries matched to digger capabilities, and the various floor references ore spotters use to guide ore control. The bottom image shows a montage of the pit floor dig-plan (Cu% only) overlaid onto an image of the pit-floor. Dig plans are generated digitally from interpretation of all available data and transferred directly to the pit floor by our surveyors and pit-techs. The ore mark-ups are then used as a guide by the digger operators, with direction and final spot-checking and confirmation by our ore-spotters, to ensure optimised ore management and grade control. Dig plans are generated based on a combination of data including blast-hole sampling and analysis, pit-floor mapping, resource block model estimates and localised results of resource and metallurgical drilling and assay.

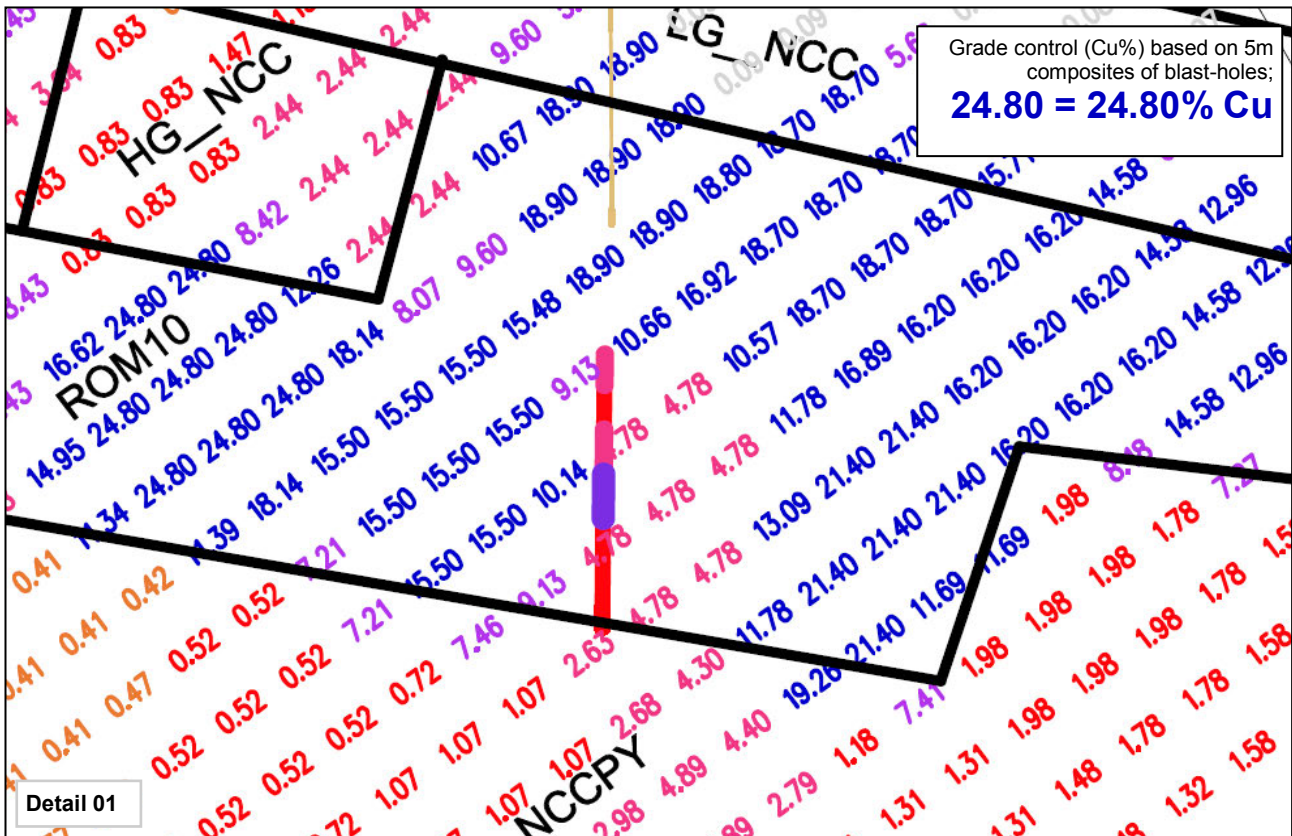
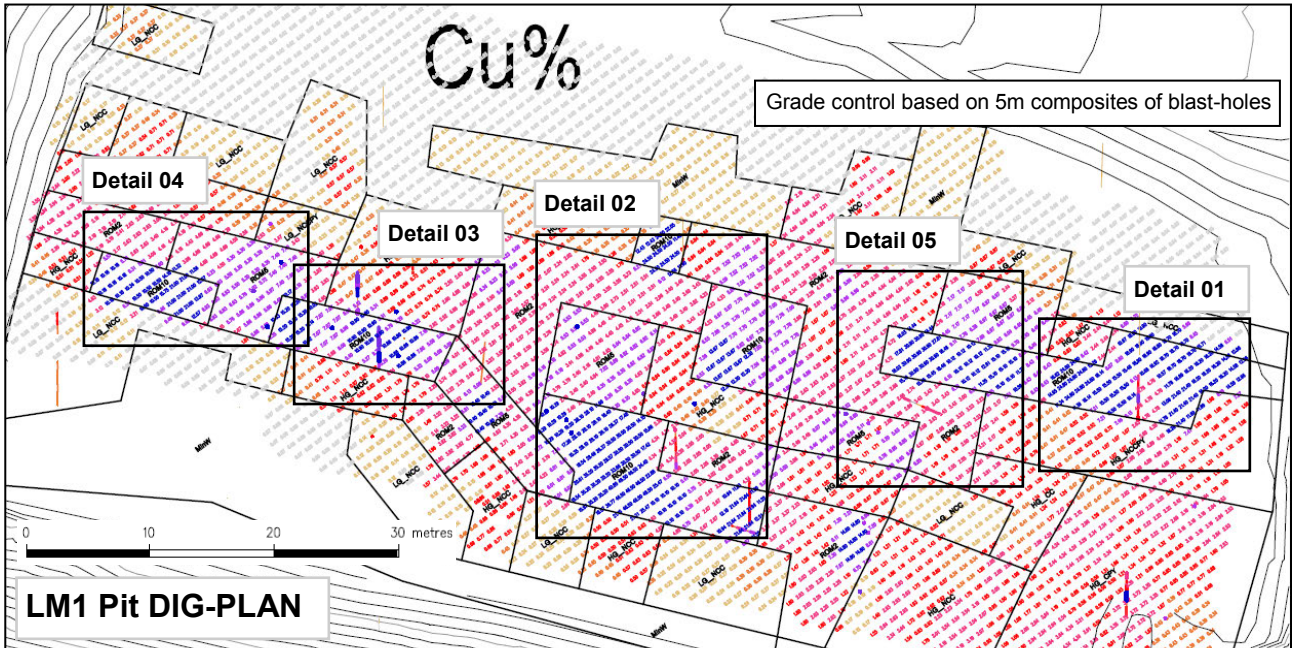


Figure 23: Top image shows the master dig-plan for the current pit floor in LM, with estimated grade averages based on 5m composite results from blast-hole sampling (eg. 24.8 = 24.8% Cu). Basic ore types at Rocklands include Oxide (weathered), Chalcocite (partially weathered) and Primary (fresh) which are split into native copper bearing and non-native copper bearing versions. These are further split into low and high-grade versions, resulting in 12 basic ore types. However, in high-grade coarse native copper ore, we further segregate the ore into ROM2 (+2% Cu) ROM5 (+5% Cu) and ROM10 (+10% Cu) ore types, which are sent directly to the ROM for crushing and scalping through screens to produce an interim native copper metal product for sale as DSO, or upgrading via ore-sorter. Resource drilling results (coloured lines) are also shown on the image and include both diamond and RC drilling. The bottom image shows a detail of the master image.

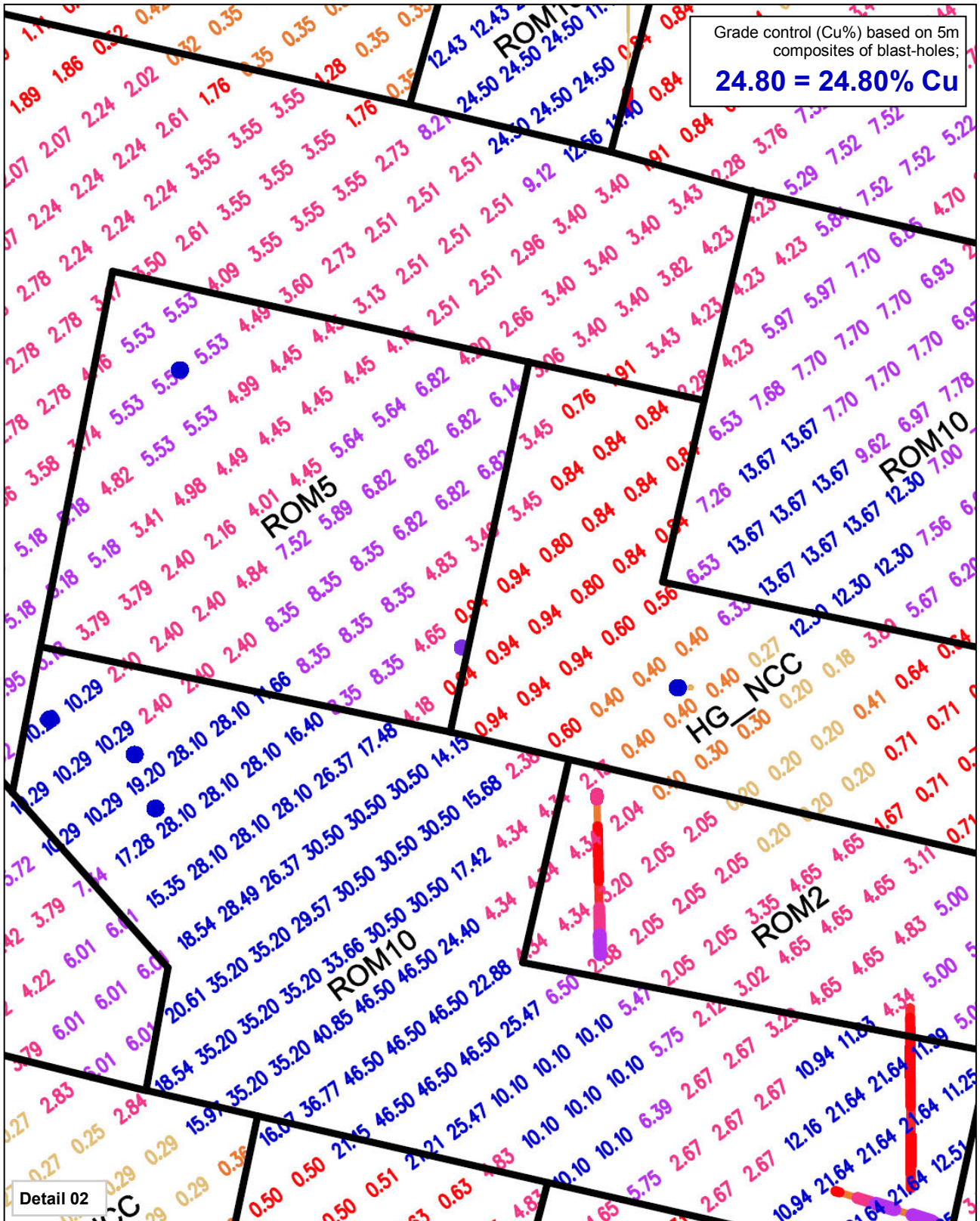


Figure 24: Detail enlargement of grade control results (Cu%) based on 5m composites of blast-hole sampling (eg. 24.80 = 24.80% Cu)...see Figure 23 (master dig-plan) for reference.

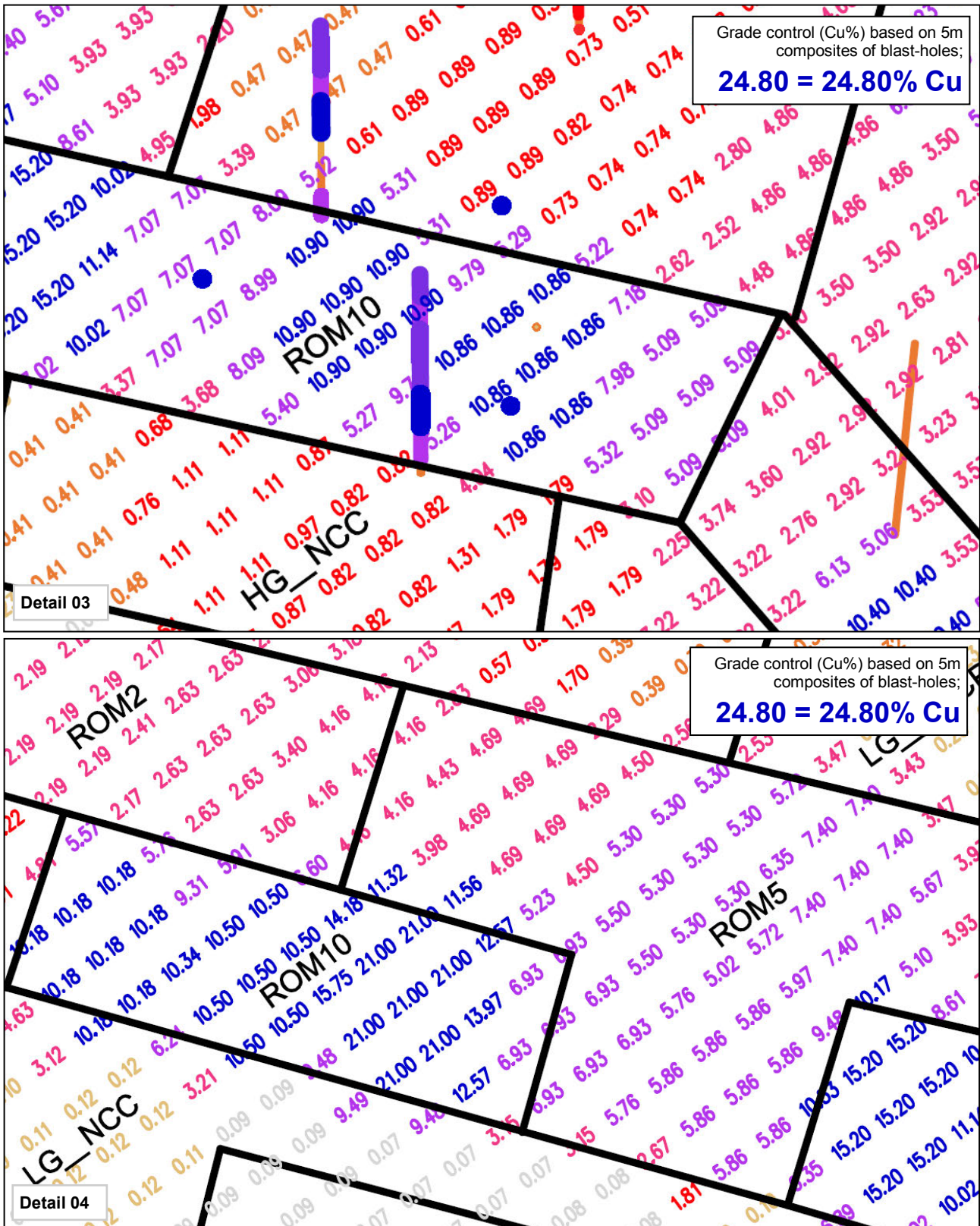


Figure 25: Detail enlargement of grade control results (Cu%) based on 5m composites of blast-hole sampling (eg. 24.80 = 24.80% Cu)...see Figure 23 (master dig-plan) for reference.

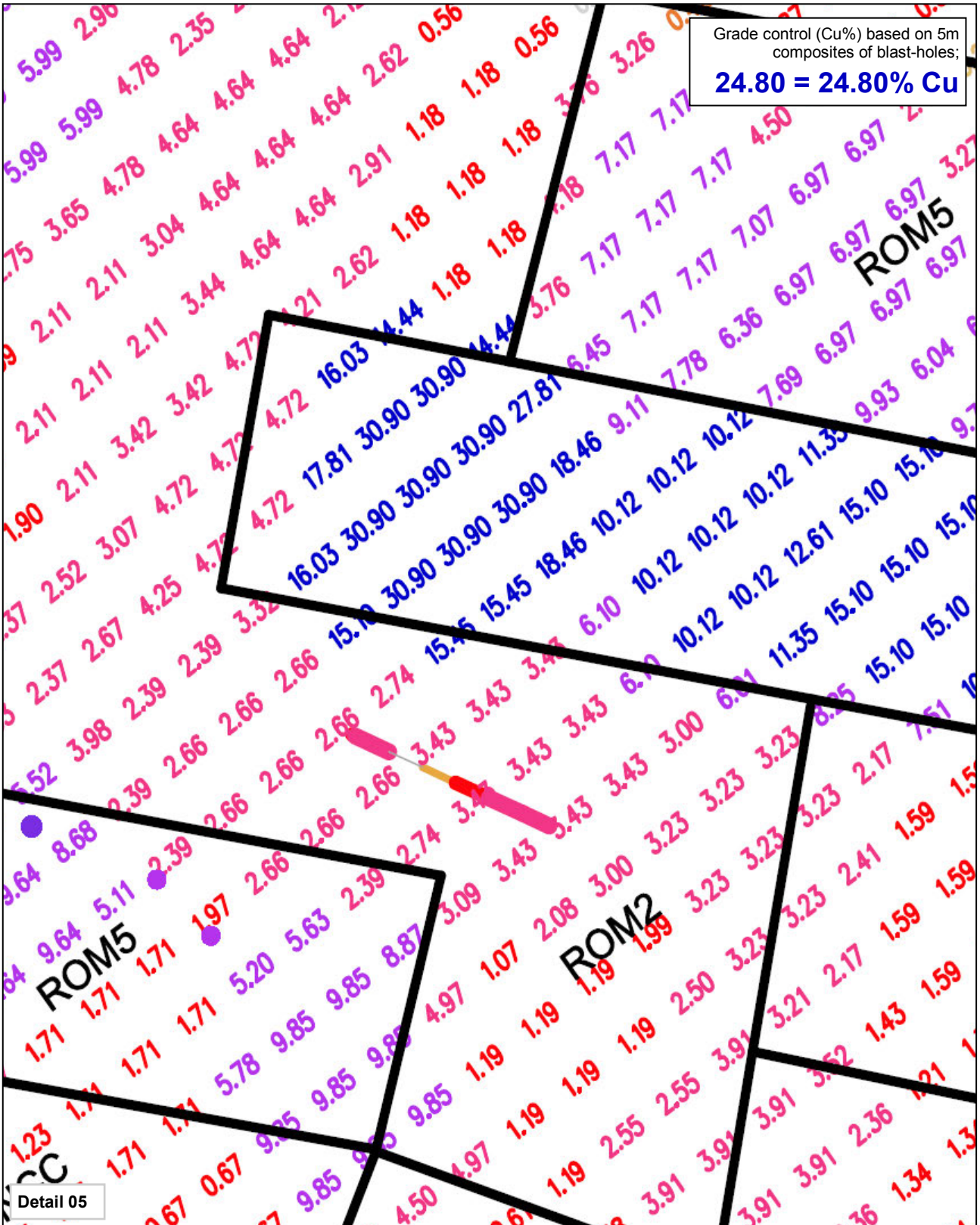


Figure 26: Detail enlargement of grade control results (Cu%) based on 5m composites of blast-hole sampling (eg. 24.80 = 24.80% Cu)...see Figure 23 (master dig-plan) for reference.

As recently announced (see ASX announcement 25th November 2014), blast-hole sampling in the LM1 Pit is intersecting visually bonanza style native copper ore. Subsequent analysis of the 5m grade-control composites is confirming the visual observations, including the following top 10 results from the current pit floor;

hole_id	(X) MGA	(Y) MGA	(Z)	depth_from	depth_to	co_ppm	Total Cu %
LM160B10029	433645.7	7714048.6	160.3	0	5	670	<b>46.5</b>
LM160B10028	433643.7	7714050.8	160.3	0	5	420	<b>35.2</b>
LM160B10132	433671.4	7714043.5	160.4	0	5	1010	<b>30.9</b>
LM160B10060	433647.6	7714052.4	160.2	0	5	910	<b>30.5</b>
LM160B10061	433645.6	7714054.5	160.0	0	5	380	<b>28.1</b>
LM160B10136	433679.5	7714034.6	160.2	0	5	260	<b>24.8</b>
LM160B10188	433658.9	7714063.5	160.4	0	5	390	<b>24.5</b>
LM160B10032	433651.8	7714041.7	160.7	0	5	750	<b>21.6</b>
LM160B10139	433685.8	7714027.6	160.1	0	5	970	<b>21.4</b>
LM160B10081	433625.7	7714082.9	160.2	0	5	630	<b>21.0</b>

**A single truck-load of ore from the LM1 Pit grading 30% Cu, contains ~A\$210,000 worth of copper at current prices!**

The benefits of minimising mining dilution and mining loss becomes very clear in high-grade ore...just 5% of this ore lost to waste (mining loss) equates to ~\$10,500 of lost copper per truck load.

With 300-400 truck loads per day coming out of the pit, and an expected ~600 loads per day when mining ramps up to meet the production and stockpiling requirements of a fully operational Process Plant, the importance of minimising unnecessary mining dilution and mining loss becomes obvious.

### Optimising ore control

High-resolution ore mark-ups (dig plans) are generated in a three-dimensional digital environment and transferred directly to the pit floor by surveyors and pit-techs. Various reference notes and datum points are also added to the pit floor mark-up to help spotters guide mining and the segregation of ore.

Dig plans effectively represent the culmination of all available data collected over the life of the project, which is weighted in terms of relevance, importance and/or data confidence as it is applied. Data captured includes but is not limited to; blast-hole sampling and analysis; pit-floor mapping; resource block model estimation; geological logging and analysis of resource drilling; geological logs of metallurgical drilling; and field based XRF and magsus analysis.

Ore spotters (qualified geologists) monitor diggers whenever working in ore and provide a final check of the accuracy of dig-plans. If necessary, last-minute adjustments are recorded as the ore is loaded onto the dump trucks.



Stockpile managers provide the final piece of the ore control puzzle, recording ore and waste movements from the pit all the way to the stockpiles, via radio communicated loading data and visual confirmation as the trucks dump their loads.

To date ore control has been excellent at Rocklands and a credit to our geology department.

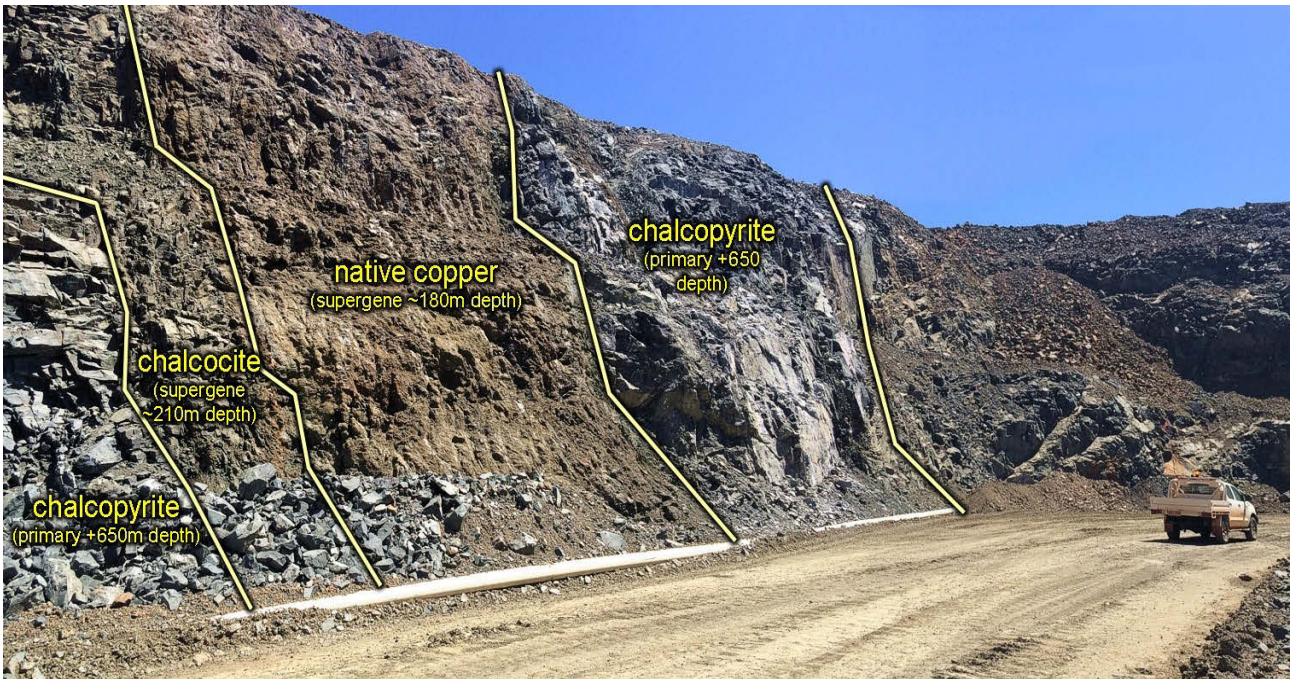


Figure 27: LM1 Pit wall above south haul-road (~45m below surface), showing sub-parallel ore zones that include primary sulphide ore types (chalcopyrite & bornite) and supergene ore types (chalcocite & native copper) in vertically stacked, sub-parallel zones.

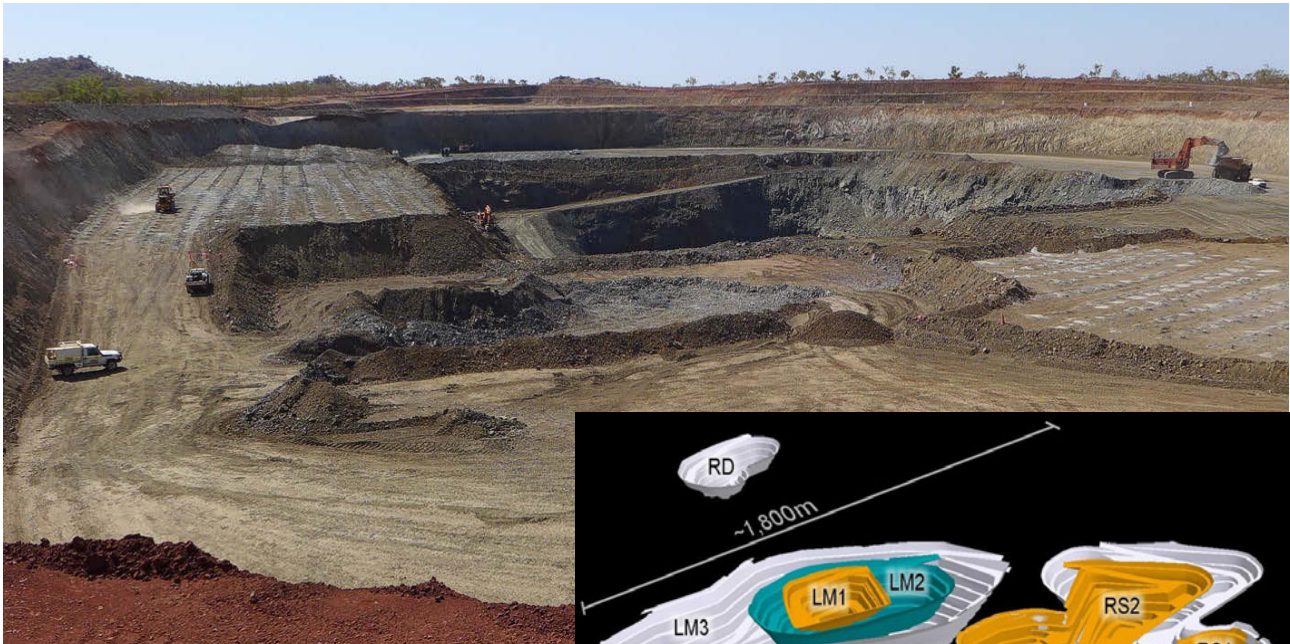
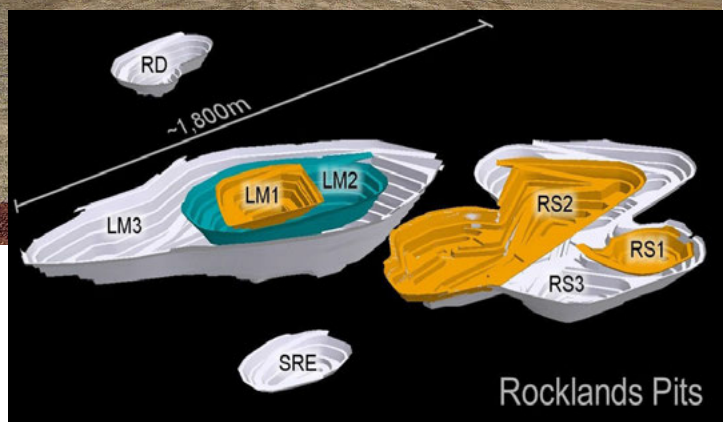


Figure 28 (above): LM1 and LM2 Pits being mined concurrently.

Figure 29 (right): Rocklands pit designs are staged to maximise project NPV's



## Mining focussed on LM1 & LM2 Pits, accessing both supergene and primary ore types

Mining targeted daily rates of ~30,000 tonnes per day (ore/waste) during the quarter, in line with ramp-up requirements, however was impacted during the months of November and December when mining assets were diverted to activities at the TSF and excavation work at the process plant. With the onset of the wet season, this was seen as a prudent measure.

With the completion of the TSF, all ground activity likely to require long-term use of mining assets has now been completed, and as such, mining rates are expected to gradually increase throughout 2015 as we approach commissioning of the process plant.

### LM1 Pit

High-grade DSO native copper stockpiles reached capacity on the ROM during the quarter, leading to a change of short-term mine scheduling plans and focus on mining waste and minor ore areas on the shoulders of the LM2 Pit.

The change prevented the need to temporarily place high-grade DSO ore on long-term stockpiles, only to be re-handled and sent the ROM at a later date.

Access to LM1 re-commenced at a slower rate when the ROM stockpiles were sufficiently depleted, which meant ore mined is delivered directly to the ROM to avoid double-handling and ultimately reduce mining costs. Excess capacity remained in LM2 Pit.

Until the Process Plant is in full production, greater flexibility exists to optimise mining with the view to reducing costs, without the constraints of needing to meet daily ore delivery quotas to the ROM.

## LM2 Pit

Mining in LM2 predominately targeted waste removal during the quarter and as a result only minor ore was accessed. In the next quarter LM1 will reach design depth and the focus of mining will predominately concentrate on the LM2 Pit, where significant quantities of both primary and supergene ore are expected to be sent to stockpiles.

At the south end of the LM2 some of the widest ore zones of the project will be encountered, with the ore zone reaching widths of up to 120m across the pit floor (see Figure 30).

## Mining of native copper ore re-commences from LM1 after crushing clears ROM stockpiles that had reached storage capacity

Mining of high-grade native copper and chalcocite ore in LM1 Pit, to be crushed and screened to produce a native copper rich DSO product re-commenced once crushing cleared ROM stockpiles that had reached storage capacity.

Some of the highest grade ore of the project was mined and crushed during the quarter from the LM1 Pit.

Ore not mined for DSO is sent to long-term stockpiles for future processing as per the mining schedule.

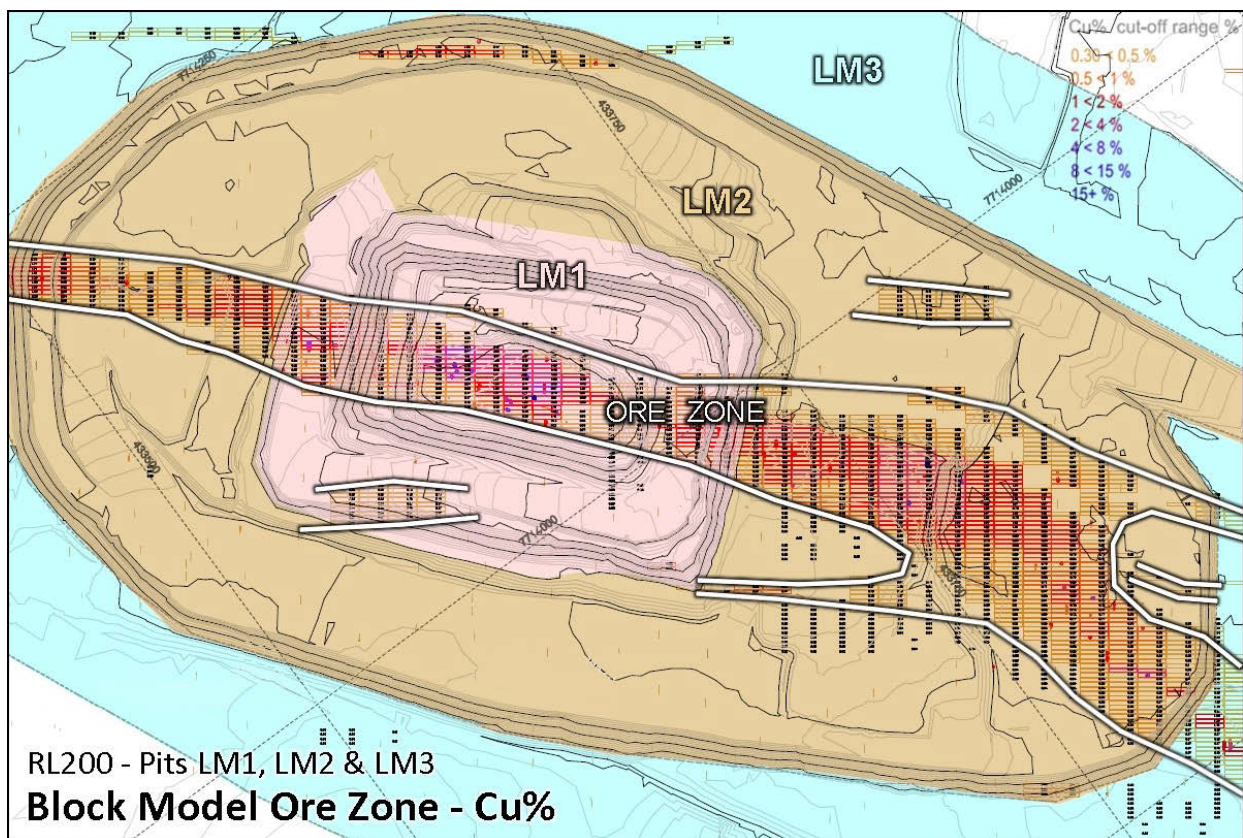


Figure 30: Las Minerale Pits LM1, LM2 and LM3, with ore block model (Cu%) shown and ore outlines

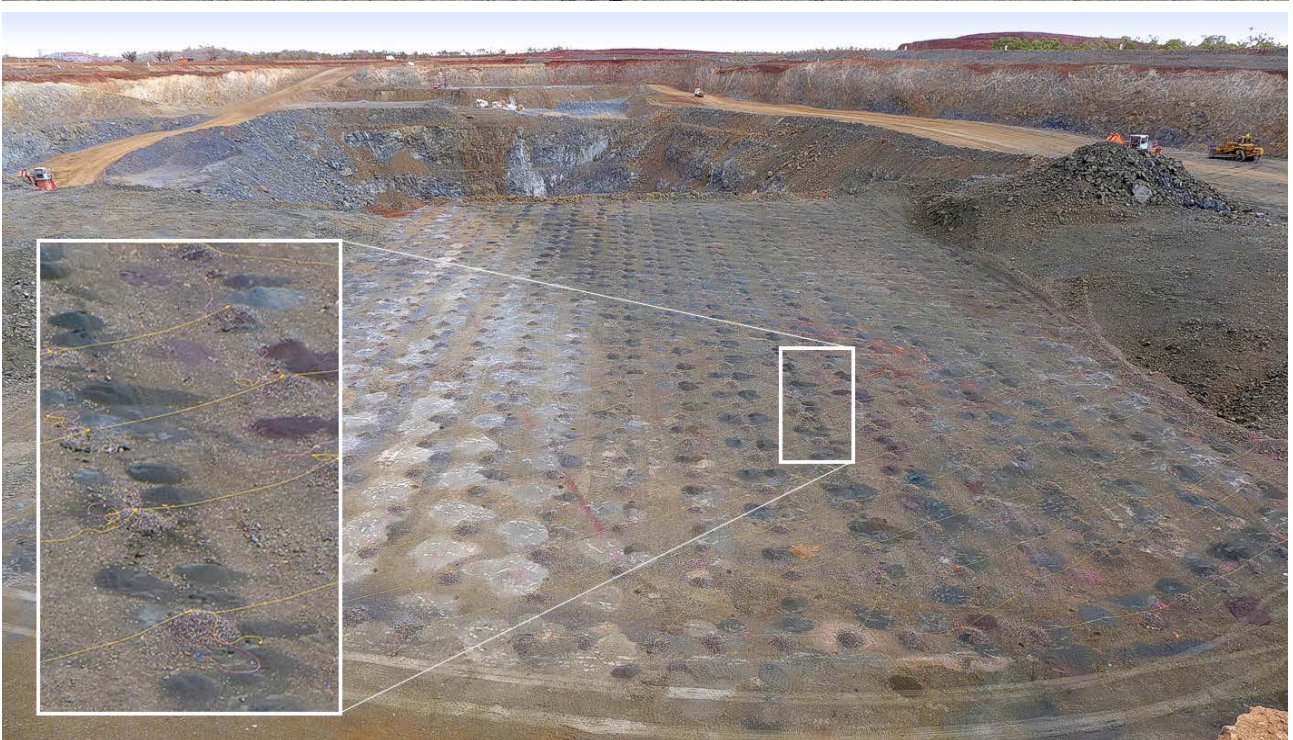


Figure 31: Blast-holes in ore zones are sampled, geologically logged and sent for assay. Non-ore zones are field XRF tested and anomalous results above 1000ppm Cu sampled, logged and sent for assay.



Figure 32: Top image shows LM2 Pit inside the LM1 Pit. Bottom image shows triple benching in LM2 (mining 3x 2.5m flitches at once) in waste areas to optimise mining costs.

### RS1 Pit

Preliminary open-cut operations including pre-stripping at the new Rocklands South Pit has been completed, and a second mining campaign at Rocklands commenced. The availability of a second Pit provides greater flexibility for mine planning and will help ensure the mining fleet is utilised to optimum capacity thereby reducing down-time and mining costs.

The high-ground at RS1 Pit reaches ~RL240m (Telstra Hill), and will be targeted for removal first, with the view to creating a consistent “dance floor” at RL215.

Grade control bedrock drilling designed to identify surface ore and define the extent of free-dig areas, of Rocklands South Pit have identified significant zones of additional copper mineralisation not currently included in the resource block model. The areas are predominately directly above angled resource and infill drilling, and/or in laterally displaced, water-table and weathering profile controlled horizons.

The resource below is recently discovered and an additional 535,200 tonnes of ore that have been defined in shallow surface drilling at Rocklands South Open Cut;

**26,500 tonnes @ 2.05% CuEq (1.2% Cu)**  
*high-grade (+1% Cu)*

**46,700 tonnes @ 0.99% CuEq (0.72% Cu)**  
*medium-grade (+0.5% <1% Cu)*

**462,000 tonnes @ 0.64% CuEq (0.35% Cu)**  
*low-grade (>0.3% CuEq <0.5% Cu)*

Significant additional ore defined in surface bedrock drilling programme at Rocklands South Pit, in areas conservatively excluded from block model.

Bedrock drilling programmes are defining significant additional surface mineralisation at Rocklands South.

In areas that do not require blasting (free-dig areas) at Rocklands South, where there will be no blast-hole drilling samples for analysis, shallow bedrock drilling is used to help define ore boundaries for use in grade control and ore management. Zones requiring definition occur at the projected outcrop of known orebodies, and adjacent flat-lying areas, where limited drilling information may be available.

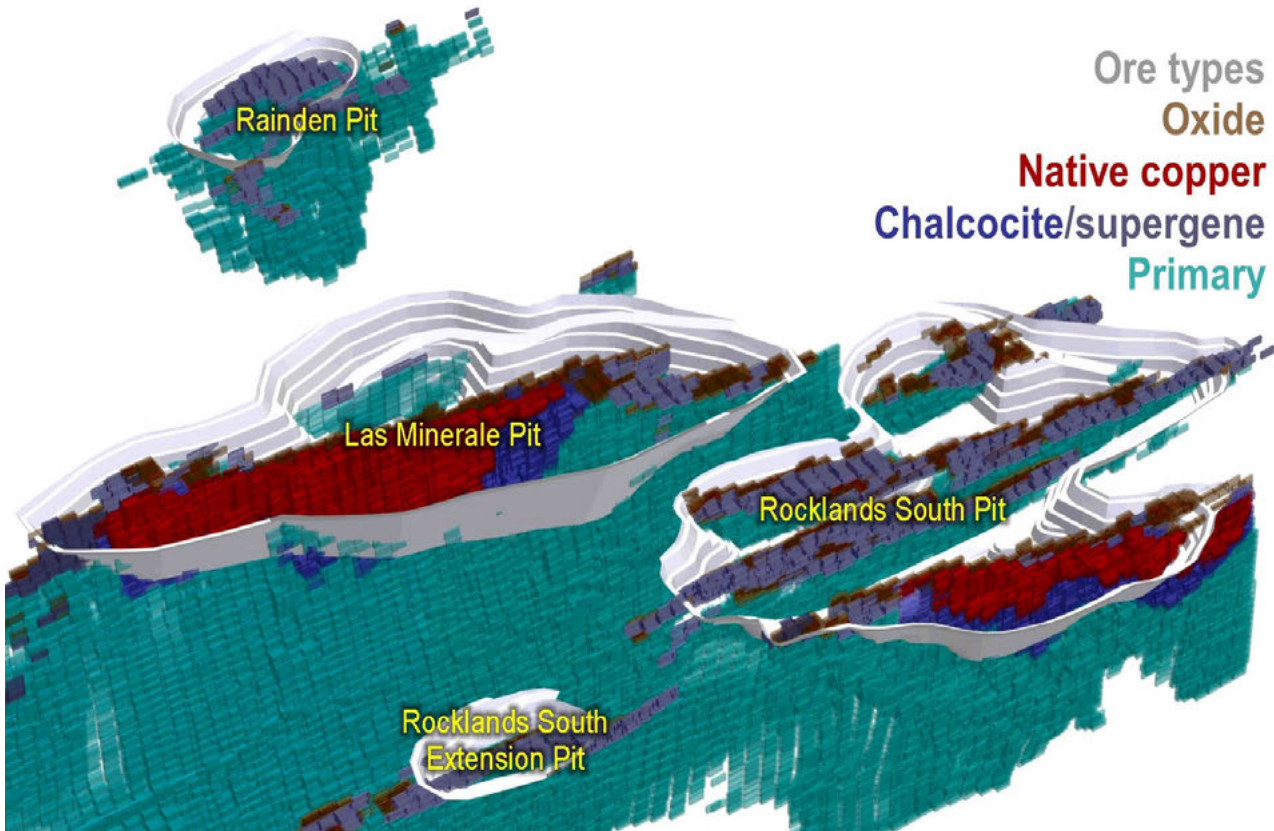


Figure 33: Rocklands resource Block model showing ore types and year-10 final pit designs.

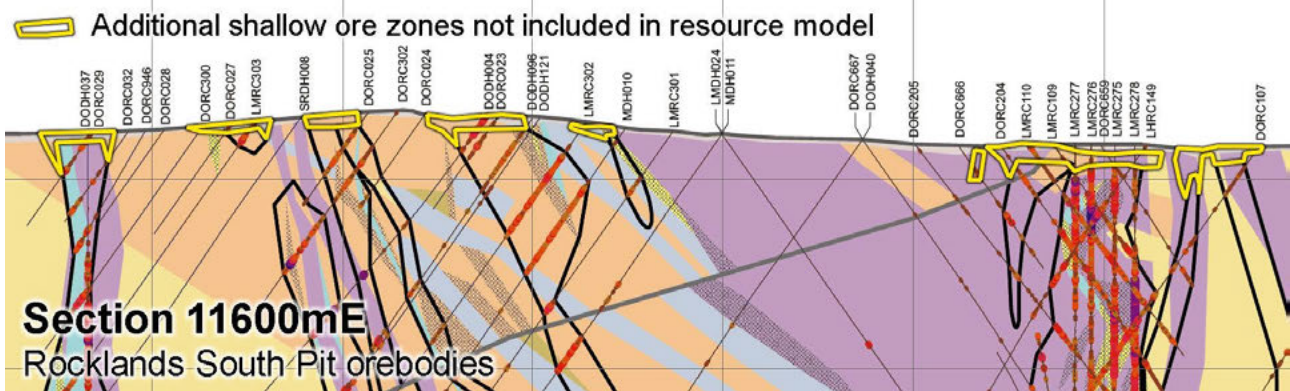


Figure 34: Cross section of eastern orebodies that are located in the Rocklands South Pit. In some shallow areas, typically directly above outcropping orebodies, insufficient information exists that defines orientation, extent and grades of mineralisation, leading to a conservative approach in determining the upper extents of modelled orebodies projected to surface. Shallow bedrock drilling is identifying significant zones of additional mineralisation that have been excluded from the resource model.

During historic resource drilling, relatively few holes were drilled directly into the top of outcropping ore zones. Resource drilling was typically collared adjacent to predicted ore bodies and drilled at an angle to intersect mineralisation some distance below surface generally greater than 15m. As such, little information often exists that helps define orientation, extent and grades of shallow outcropping ore. This led to a conservative approach in determining the upper extents of modelled orebodies projected to surface.

The Rocklands Resource model has conservatively excluded shallow ore above an arbitrary upper cut-off depth which is well below the upper colluvium profile, however surface excavation and shallow drilling is defining wide zones of additional outcropping and shallow ore starting literally from surface.

Of additional benefit, the bedrock drilling programme is also defining large areas of weathered to partially weathered rock suitable for free-dig mining, that will not require blasting and will significantly reduce mining costs in these areas.



Figure 35: Mining at Rocklands South Pit commenced in free-dig areas. Middle image shows excavations at the base of Telstra Hill, looking to the north-east from the Rocklands South Pit. Bottom image shows the same scene looking to the east. The ROM and Process Plant can be seen in the far distance from the left of the image.

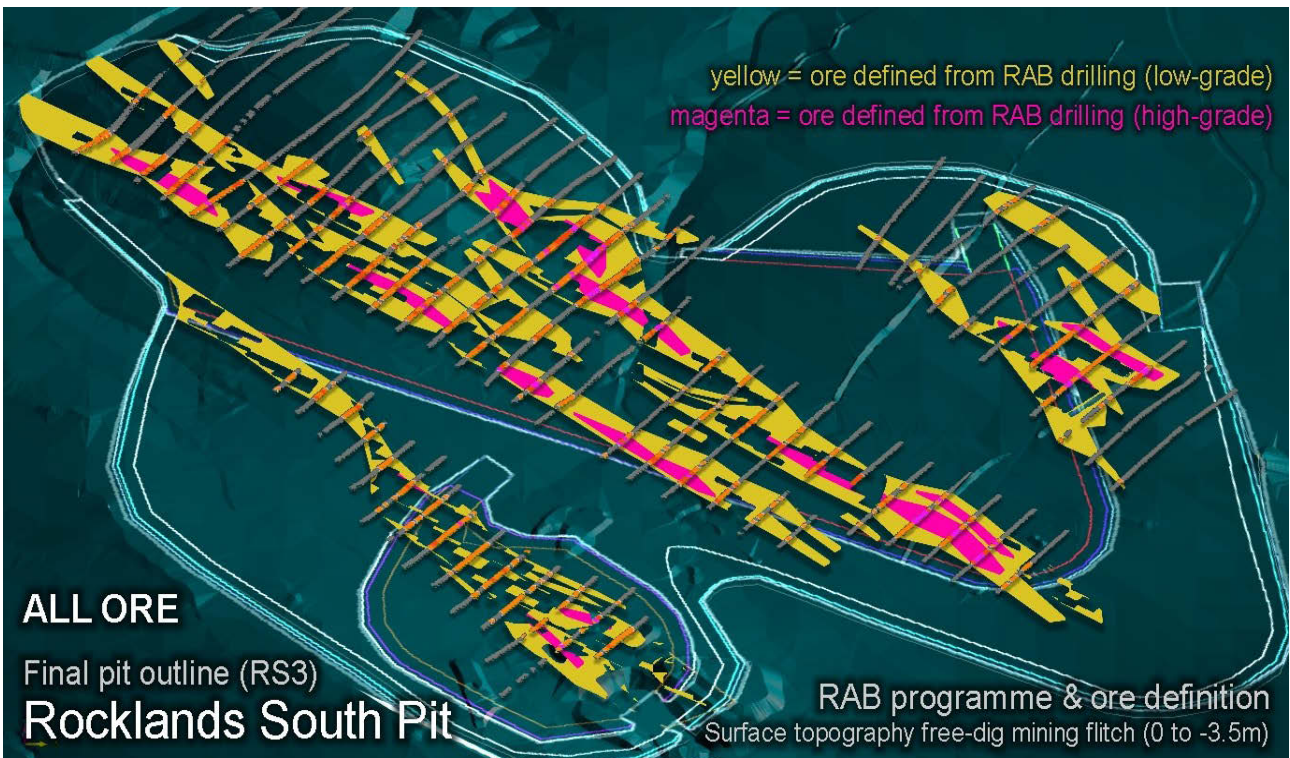
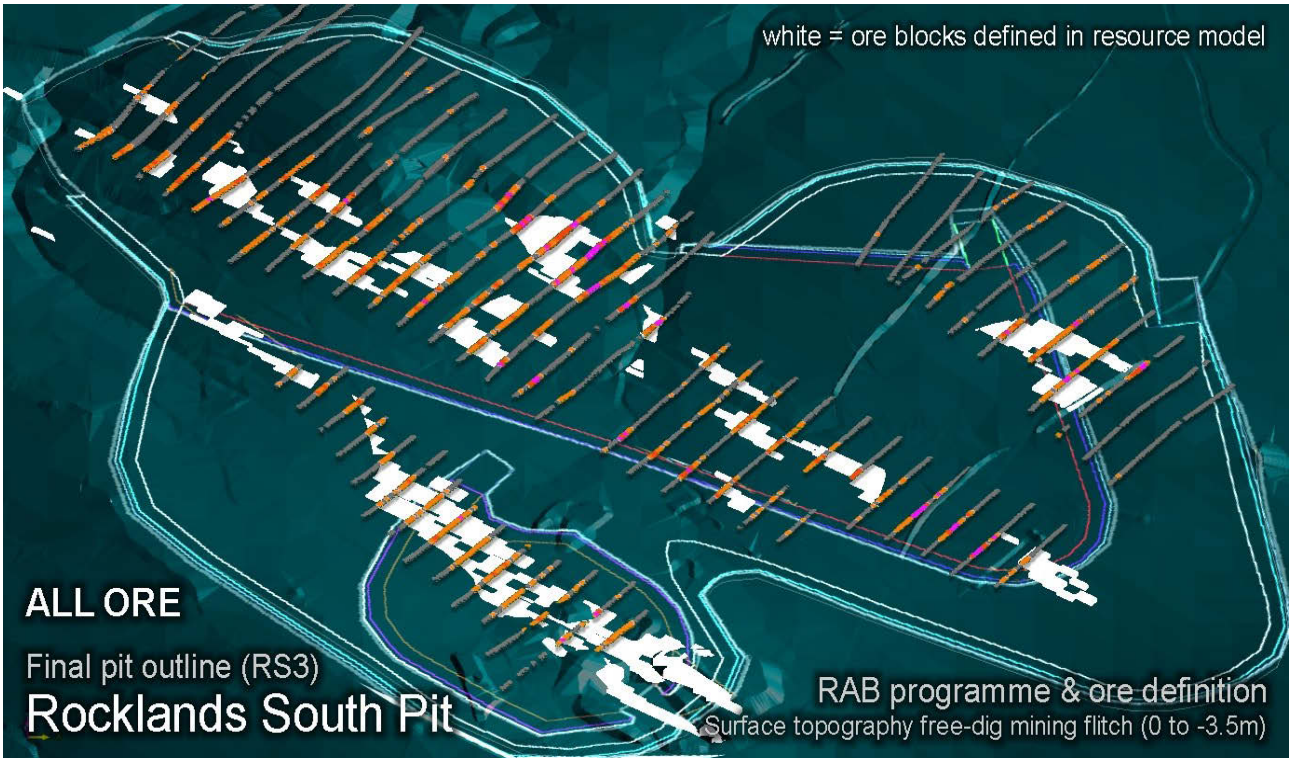


Figure 36: Bedrock drilling programme at Rocklands South Pit is completed in “fences” spaced every 25m along the top of the ore zones, to depths ranging from 2m to 15m from surface. Holes are completed when the drill bit encounters hard-rock or at a maximum depth of 15m. The image above shows the bedrock drill lines, and additional ore zones that have been defined (yellow and magenta) that were originally to be sent to waste. The white areas highlight the extent of mineralisation defined in the mining block model in the first mining flitch (2.5m depth). The image shows drilling and resource blocks from surface to 3.5m depth.





Figure 37: CuDeco's Peter Hutchison (Executive Director) inspecting the copper float during the EHM trial.

### Production Summary

Whilst the Process Plant is nearing completion, prior to its commissioning various options are being investigated and/or implemented for early copper concentrate production and sales.

Key areas of activity including trials and/or production enhancements include;

- EHM toll treatment trial 22,000 tonnes of primary ore
- Scalping various Direct Shipping native copper products from crushing and scalping
- A total of 170 tonnes of varying copper concentrate grades (up to 90% copper) were shipped to a Chinese buyer.
- Upgrading of crushed product via ore-sorter
- Purchase of on-site furnace for producing blister-copper product
- Arrival of spring loaded rolls crushers



Figure 38: Final truck loads of ore loaded onto haul-trucks. A total of 22,000 tonnes of primary ore was delivered to EHM.

## Status of Ore-sorter

The ore-sorter arrived at Rocklands towards the end of 2014.

Following construction of the circuit base, modification of associated structural components, and completion of connecting infrastructure, the ore-sorter was energized for assessment and commissioning.

Current activities;

- Electrical and mechanical installation - completed
- Bump testing and operation of equipment associated with the ore sorter - completed
- Optimisation using +40-65mm fraction size, including feeder conveyor and ore sorter - completed
- Commissioning, including adjustments to find optimum settings - underway



Figure 39: View inside separating conveyor (top left), point of separation of product/waste (top right), Ore-sorter circuit (middle) and bump-testing and setting optimisation (bottom)

Desk-top analysis included; geophysical; geochemical; field sampling and mapping; known mineralisation extensions investigated; target generation.

Desk-top analysis of geophysics and geochemical surveys, field sampling and mapping, and target generation was ongoing at EPM18054, EPM25426 and ML90177

Exploration has been scaled back to allow 100% focus of Rocklands staff on development activities, however minor ongoing activity included;

### ML90177

Desk-top analysis of geophysical surveys continued into the June quarter for the Rocklands area (ML90177), which contains numerous major and minor targets yet to be drill-tested. Extensions to known mineralisation were also investigated, with a view to further drilling and resource definition.

### EPM18054

Field reconnaissance has been ongoing at EPM18054, including mapping, rock-chip and soil sampling, with numerous target styles identified for follow-up investigation. Soil sampling and detailed mapping programmes are ongoing.

### EPM25426

EPM25426 and EPM18054 will be concurrently explored with EPM18054 due to several interpreted structures of interest, and significant targets straddling both properties.

Initial field reconnaissance work has been undertaken in select areas.

The two blocks also offer strategic interest for future expansion of operations at Rocklands.

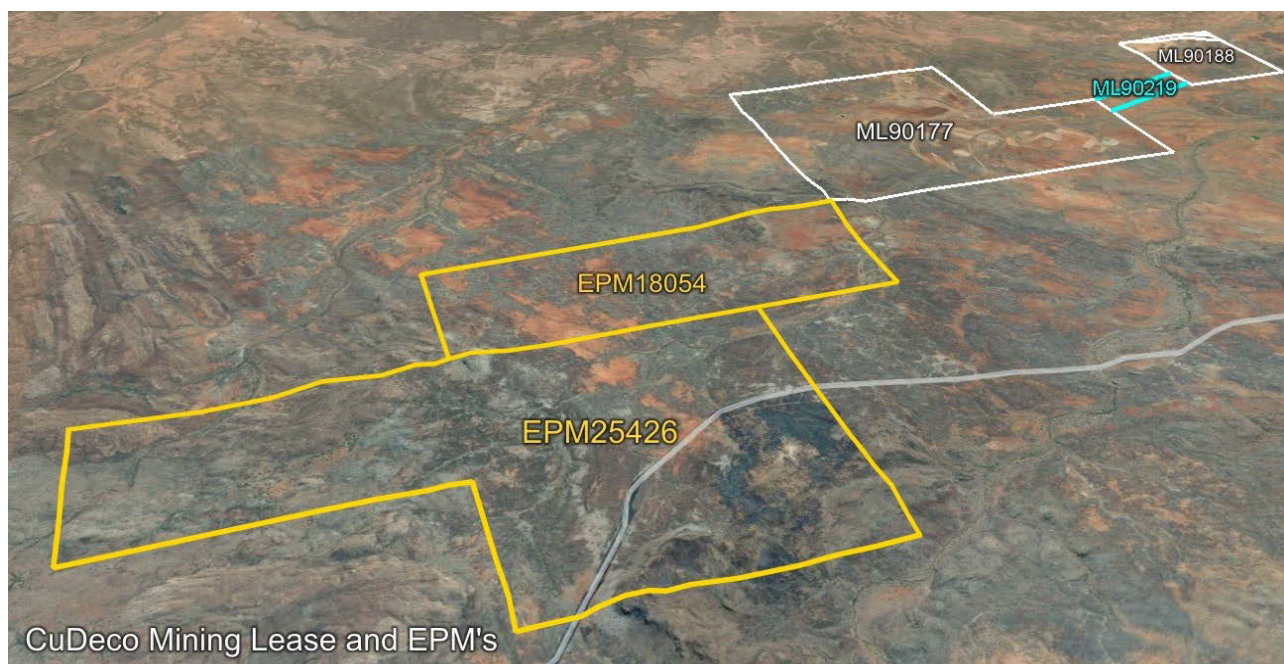


Figure 40: CuDeco Mining Lease and EPM's

### Health & Safety

Safety awareness and the building of a robust safety culture, is improving across all areas of the Rocklands Project thanks to the persistent efforts of our Occupational Health and Safety (OH & S) staff.

Impressively, the project was Lost Time Injury (LTI) free period for the December quarter, which is a remarkable result considering the various activities on site ranging from construction and development at the Process Plant, Mining activities at several pits, survey and geological functions in open pit environs, numerous site services activities undertaken across the project area, major earthworks at the Tailings Storage Facility and ongoing efforts of workshop and maintenance staff to keep up with the frenetic activity.

All staff are to be congratulated.

Other activities include;

- Vertical Response, Road Crash rescue gear acquired
- Emergency response team established and has commenced rescue training
- Purchase of 4WD quick response vehicle that became operational in early January. Housing firefighting and vertical rescue gear, its function is to handle small emergencies including vehicle incidents

### Environment

Environmental awareness programmes employed at Rocklands are designed to encourage participation by staff and contractors, and to help facilitate the development of a healthy and proactive approach to the Rocklands environment. Areas of specific focus include waste reclamation and onsite monitoring practices to ensure compliance with regulatory bodies.

It was a particularly busy period for the Environment department, with many rain-dependant activities implemented or actioned during the quarter including;

- Site pre wet season preparations and sediment control
- Collecting data and samples from all stream flow events

Other areas of activity included;

- Rehabilitation monitoring and seeding trials
- Maintenance and calibration of critical data collecting equipment
- Installing solar powered Dustrack DRX technology for continuous air quality monitoring
- Installation of four additional live ultrasonic weather stations
- Continuation and further development of waste disposal systems to include identification of waste types and the appropriate segregation thereof

Recycling and recovery efforts currently include;

- Aluminium soft drink cans with all proceeds to go to the Leukaemia Foundation
- Used printer cartridges going to Cartridges 4 Planet Ark and Fuji Xerox recycling program
- Used heavy vehicle, light vehicle and office batteries through Battery World and NQ Batteries
- Cardboard collected and reused onsite for packaging within the warehouse operations
- Shredded paper collected and stored in preparation for use as additional organic material in soil remediation activities

### Human Resources

CuDeco continues to work with the Cloncurry Community by sourcing locals to fill vacancies as they arise.

The Company also encourages candidates living outside the local Community to apply for jobs and relocate to become residents of Cloncurry.

CuDeco has adopted a no fly-in/fly-out (FIFO) policy.

The Company has developed good working relationships with other employment stakeholders in the Mount Isa/Cloncurry area to capture candidates, with the necessary skills and experience to assist in establishing a strong workforce. The Company endeavors to work to build programs, where CuDeco can capitalise on skills that are developed in the local area.

The CuDeco Workforce, which has a residential ratio of 70:30, supports the local Community by participating and utilising local services.



Figure 41: Highly disturbed area after site construction activities (left - Nov 2014) and the same area after remediation work including scattering of topsoil and vegetative matter prior to this years wet season (right - end Jan 2015).

### Binding memorandum of understanding (MOU) signed between CuDeco and China State-owned Sinosteel - Sinosteel to complete the entire electrical installation

China State-owned Sinosteel Equipment and Engineering Co Ltd ("Sinosteel") and CuDeco signed a Memorandum of Understanding (MOU) whereby Sinosteel may increase its shareholding in CuDeco.

Sinosteel are currently the third largest shareholder in CuDeco Ltd.

The MOU allows for and includes Sinosteel completing the entire electrical installation of the \$300m mineral processing facility at the 100% CuDeco owned Rocklands Group Copper Project.

CuDeco engaged Sinosteel to design, purchase the entire plant on behalf of CuDeco, and to install the steel structure, mechanical equipment, piping and electrical equipment in the Rocklands Copper Mineral Processing Plant.

Sinosteel are the EPC contractor for the \$300m Rocklands Copper mineral processing plant. CuDeco is responsible for the civils including concrete and steel foundations, consisting of 20,000m<sup>3</sup>, which was completed in December. CuDeco is also responsible for the purchase and installation of electrical cable for the process plant. The electrical-houses, switchboards and motor control rooms, and data management systems have been purchased by Sinosteel from Seimens and Honeywell respectively, as part of the original EP contract between Sinosteel and CuDeco.

Under the MOU, Sinosteel will take full responsibility of the installation of ~330 km (~330,000 metres) of electrical cable and Distributed Control System (DCS) cable installation. Sinosteel is also the EPC contractor for the supply of the main 28MW power station that was supplied and installed by Cummins Australia.

Under the MOU agreement Sinosteel requested, and has subsequently been offered the option of converting all or part of the cost of the installation of the electrics systems into shares. If Sinosteel elect not to take the option to accept shares then they have offered CuDeco an interest-free deferred payment of the cash for the electrical installation. The unsolicited offer was made by Sinosteel believing that it would be in the best interest of the project for them to complete the entire mineral processing plant. This option decreases the immediate cash requirements from CuDeco, required for the completion of the project.

Sinosteel has been involved in the Rocklands project, initially being the contractor for the basic engineering design, followed by the detailed design, equipment supply and also for installation and equipment commissioning. The offer to increase its shareholding, subject to its Board approval, shows the confidence of Sinosteel in this world class Copper/Gold/Cobalt/Magnetite project.



Figure 42: International investors admiring the view of the Process Plant from the ROM, as CuDeco's David Wilson (Principal Advisor - Exploration, Resource, Geology and Corporate - left) explains various components,.

The offer of the conversion of shares in lieu of cash, if converted, will be subject to Board approval from Sinosteel and CuDeco.

During the quarter CuDeco was approached by a number of major international companies offering a variety of funding options so that they may participate in the Rocklands project, and justifiably, wanting to take the opportunity of the current market conditions, to make investments in the Copper mining industry.

### Memorandum of Understanding (MOU) entered into with China Oceanwide International Investment Co. Ltd (Oceanwide)

The Directors of CuDeco Limited ("CuDeco") are pleased to announce that the company has entered into a Memorandum of Understanding (MOU) with CuDeco's largest shareholder, Hong Kong based Oceanwide, whereby Oceanwide intend to increase their shareholding in CuDeco up to 19.9% subject to receiving FIRB.

The total consideration for the purchase of the shares is up to \$A 30,000,000.

### Share Placement with investment fund Haitong-AC Asian Special Opportunities Master Fund, managed by About Capital Management Limited raises \$6,152,525.

CuDeco also advise that it has completed a Share Placement with an investment fund (HAC Asian Special Opportunities Master Fund) based in Hong Kong for the issue of 4,902,410 fully paid ordinary shares raising \$6,152,525.

The shares were issued at \$1.255 being 95% of the weighted average share price for CuDeco over the preceding ten trading days.

### Placement negotiated with logistics and transportation Company for \$3,163,979

The Company negotiated a placement with an international shipping, logistical and transportation Company for 2,433,830 fully paid ordinary shares at \$1.30 to pay \$3,163,979 as consideration for the transportation of goods from China to Rocklands, including the final major components of plant required for its Rockland's project.



Figure 43: CuDeco's Peter Hutchison (Executive Director - white hat) discussing aspects of the Process Plant with international visitors.

### CuDeco 2014 Annual General Meeting (AGM) was held in Cloncurry

The Company's Annual General Meeting (AGM) was held in Cloncurry on November 27<sup>th</sup> and was followed by a site tour of the Rocklands Project. Board members, executive directors and key management personnel were available to field questions.

The overwhelming message from those who attended was one of ongoing support, for which the Company thanks them sincerely. The Rocklands team works their hearts out in often very trying conditions, the encouragement we receive from shareholders is always appreciated.



Figure 44: CuDeco's Wayne McCrae (Executive Chairman - holding water bottle) fielding questions from shareholders during the Rocklands Process Plant tour.





Figure 45: CuDeco's Peter Hutchison (Executive Director - centre image with bottle) explaining various aspects of the process plant during the Rocklands site tour.

We particularly wish to thank all who made the effort to travel to Cloncurry and to join us in a tour of the Rocklands site this year. It was particularly good to catch up with many shareholders face to face in an informal atmosphere later that day over a drink and dinner.

We trust the visit to Rocklands was eye opening for all who attended. It would be remise not to also thank our many supporters who could not make it to the Cloncurry AGM this year, we appreciate all who share our vision.



Figure 46: Formalities at the AGM, from left to right; David Taylor (Deputy Chairman and Independent Non-Executive Director); Peter Hutchison (Executive Director); Wayne McCrae (Executive Chairman); Paul Keran (Independent Non-Executive Director), Gerry Lambert (Independent Non-Executive Director); and Zhaohui Wu (Independent Non-Executive Director)



Figure 47: CuDeco's Peter Hutchison (Executive Director - centre image, white hat) explaining various aspects of the process plant during the Rocklands site tour.



Figure 48: Shareholders stand on the rim of the planned final LM3 Pit design as CuDeco's David Wilson (Principal Advisor - Exploration, Resource, Geology and Corporate) explains various aspects of the resource and pit scheduling.



Figure 49 (from left to right): CuDeco's David Taylor (Deputy Chairman and Independent Non-Executive Director); Peter Hutchison (Executive Director); Wayne McCrae (Executive Chairman); inspecting the Tailings Storage Facility (TSF).



Figure 50: CuDeco's Peter Hutchison (Executive Director - second from left) and Wayne McCrae (Executive Chairman - second from right) meet with shareholders after the AGM.



Figure 51: Shareholders who enjoyed the Rocklands tour had plenty to say.



Figure 52: From left to right; CuDeco's Karen Erb (Administration Manager); Peter Hutchison (Executive Director); Wayne McCrae (Executive Chairman); and David Wilson (Principal Advisor - Exploration, Resource, Geology and Corporate), collectively have dedicated more than 35 years of their lives to Rocklands.



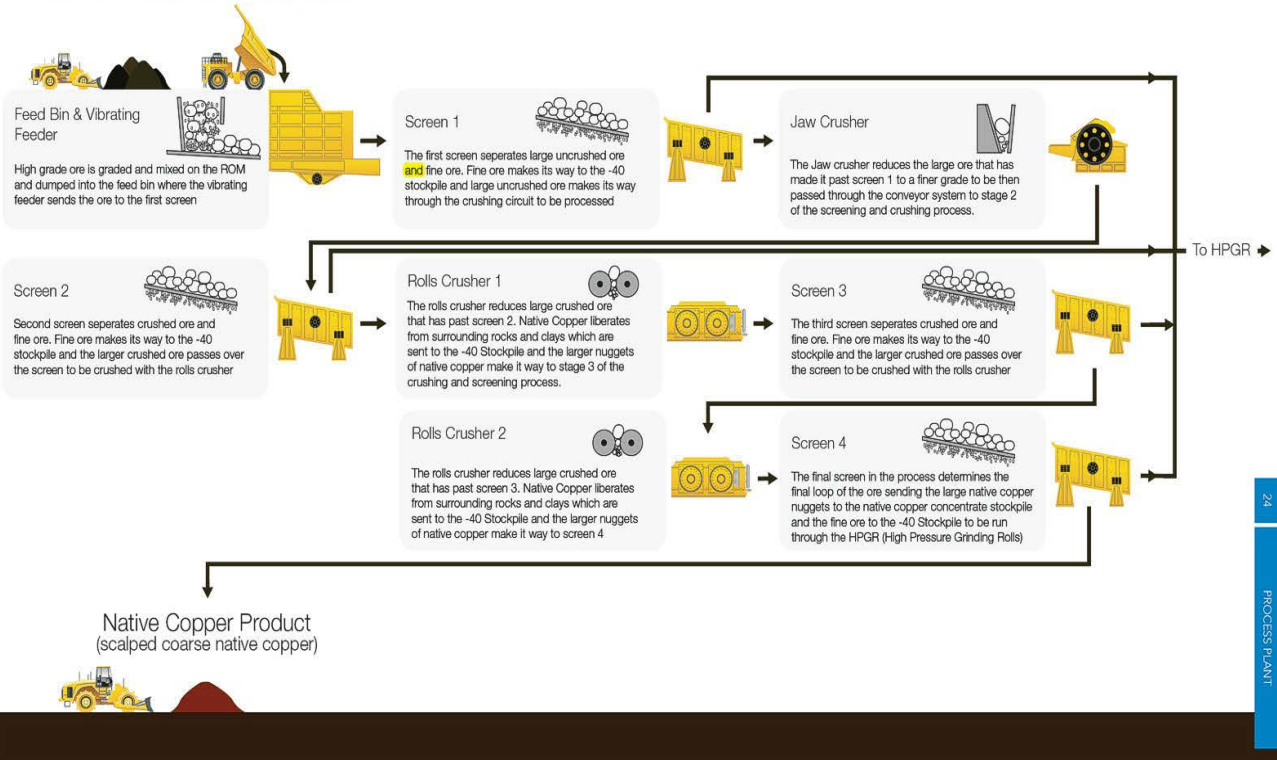
Figure 53: Shareholders who enjoyed the Rocklands tour had plenty to say.



Figure 54: CuDeco's Wayne McCrae (Executive Chairman - 4th from left) and Karen Erb (Administration Manager - 5th from left) explains to shareholders aspects of the current pit.

## Process Plant

### Flowsheet Stage 1: Crushing Circuit Recovery of Oversize Coarse Native Copper



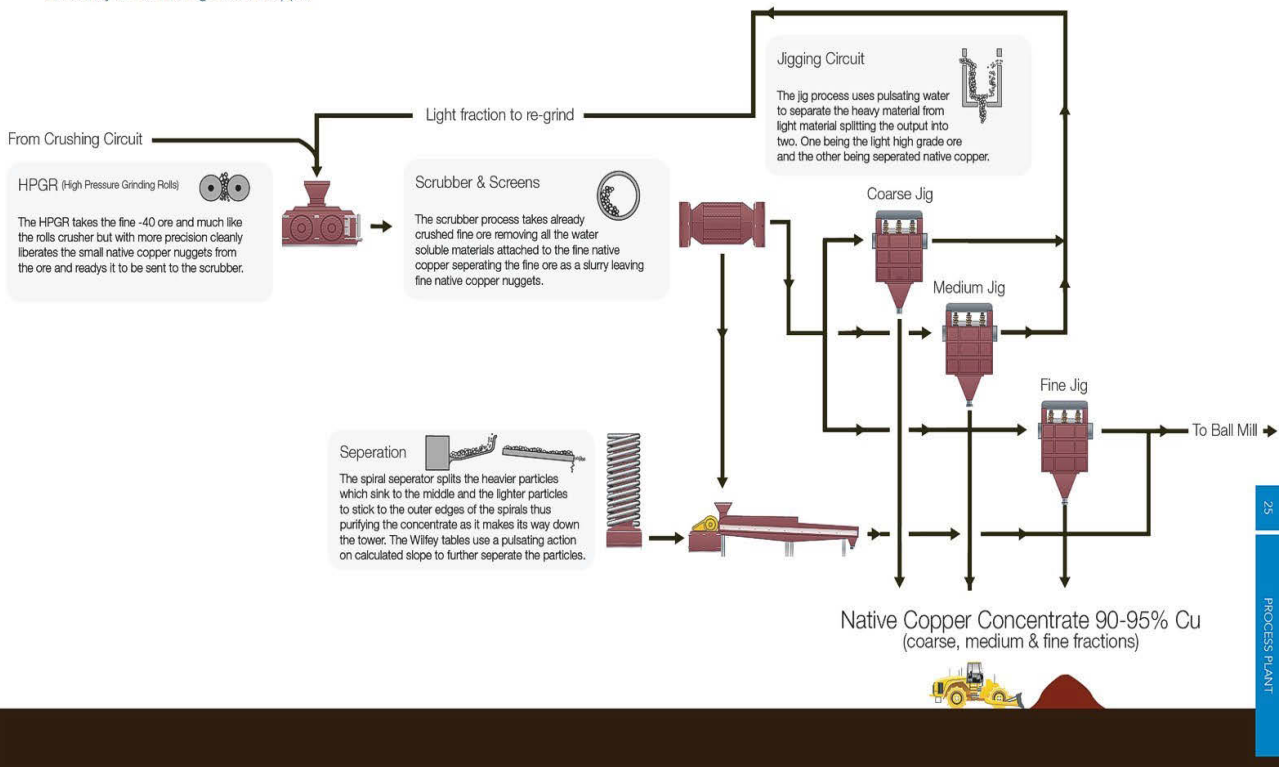
24 PROCESS PLANT

Figure 55: Process Plant flow-sheet: Crushing Circuit

## Process Plant



### Flowsheet Stage 2: Gravity Circuit Recovery of Remaining Native Copper



25 PROCESS PLANT

Figure 56: Process Plant flow-sheet: gravity Circuit

## Process Plant



### Flowsheet Stage 3: Flotation Circuit

Recovery of Primary Sulphides; Chalcopyrite (Copper Concentrate) Pyrite (Cobalt/Sulphur Concentrate) & Magnetite

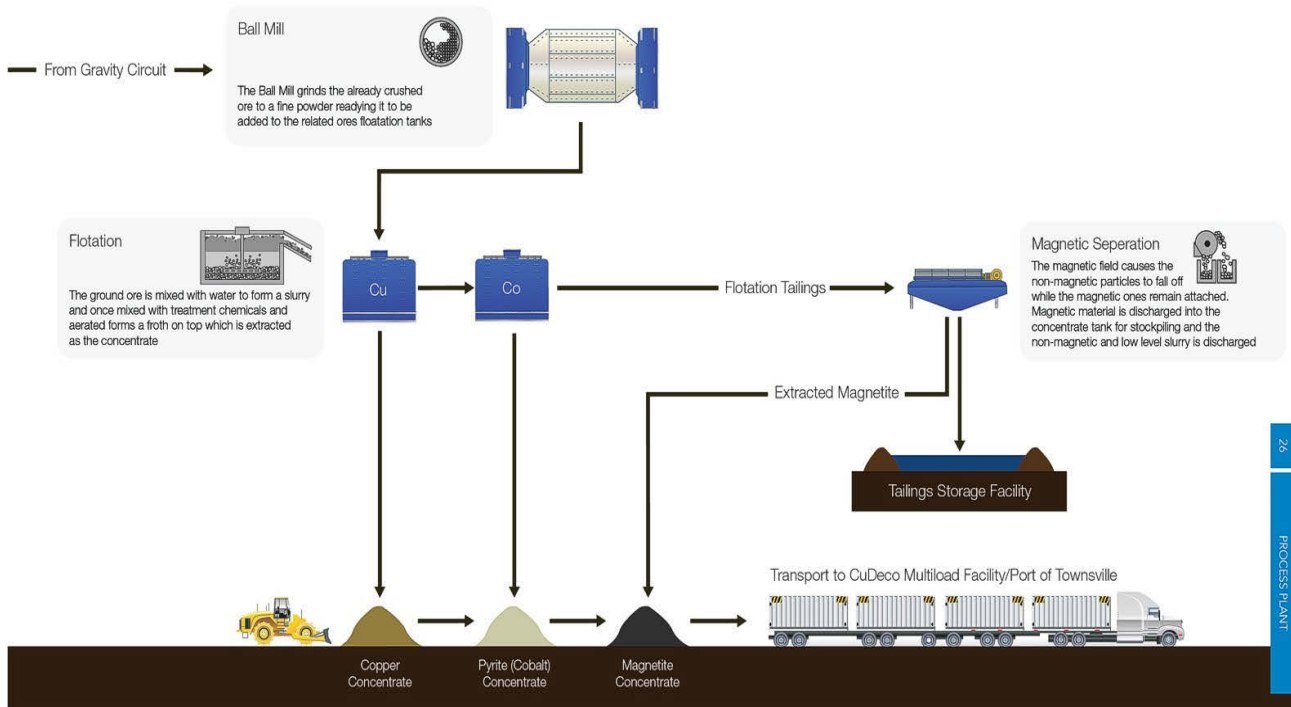
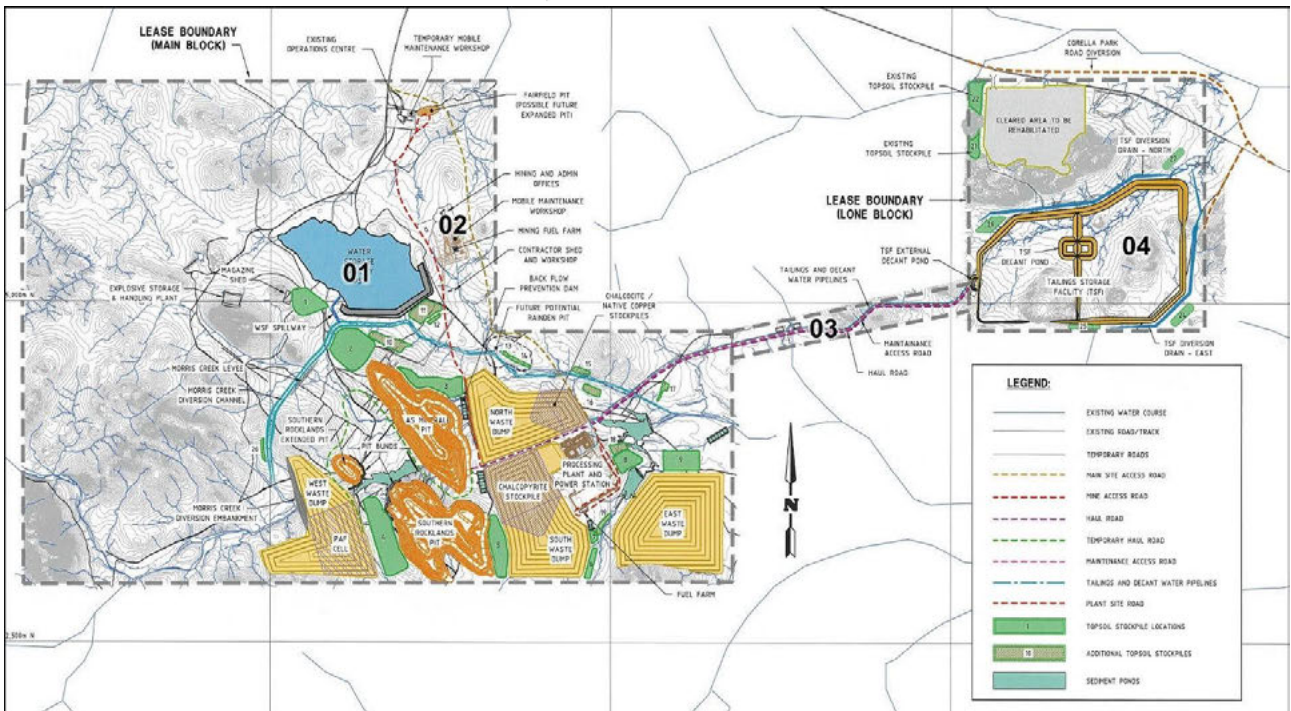
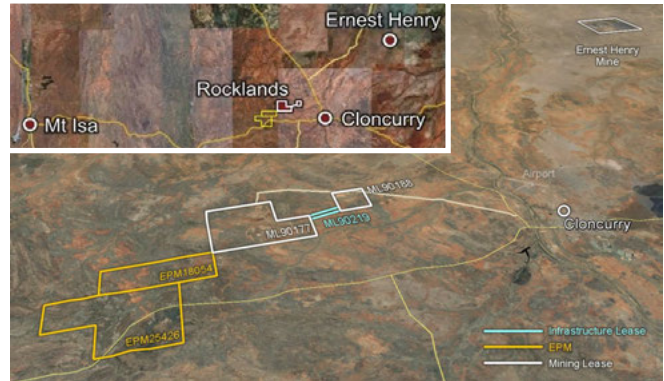


Figure 57: Process Plant flow-sheet: Flotation Circuit and Magnetic Separation



- 01 - Water Storage Facility (WSF)
- 02 - Maintenance Workshop & Mining Office
- 03 - Infrastructure Corridor (Haul Road and Pipelines)
- 04 - Tailings Storage Facility (TSF)
- 05 - Morris Creek Diversion Channel
- 06 - Morris Creek Diversion Dam
- 07 - Topsoil Stockpiles
- 08 - West Waste Dump (and PAF cell)
- 09 - Rocklands South Extension pit (PAF pond)
- 10 - Las Minerale Open-cut, LM1, LM2 & LM3 Pits
- 11 - Southern Rocklands Pit (and SR Starter Pit)
- 12 - North Waste Dump
- 13 - Mine Access Road
- 14 - Primary Ore Stockpile
- 15 - South Waste Dump
- 16 - Run of Mine (ROM) Pad
- 17 - Native Copper and Chalcocite Stockpile
- 18 - Process Plant including Crushing Circuit
- 19 - Haul Road
- 20 - East Waste Dump
- 21 - Rainden Pit

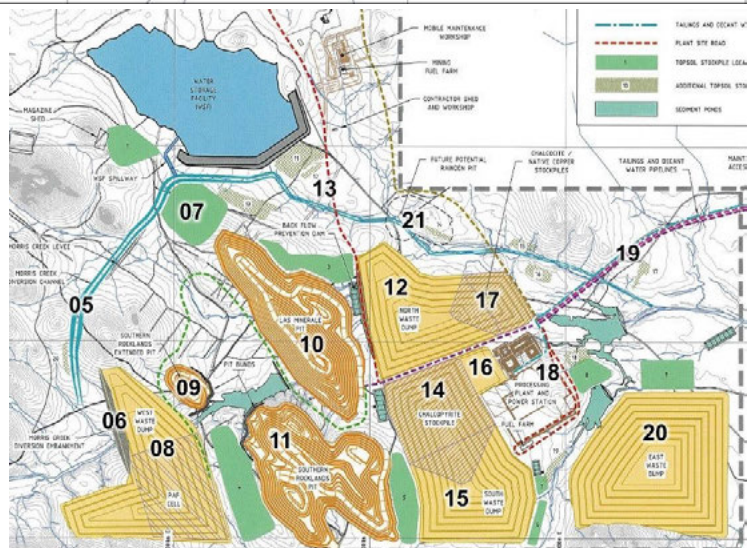


Figure 58: General Arrangement plans and location references.



# Process Plant Layout

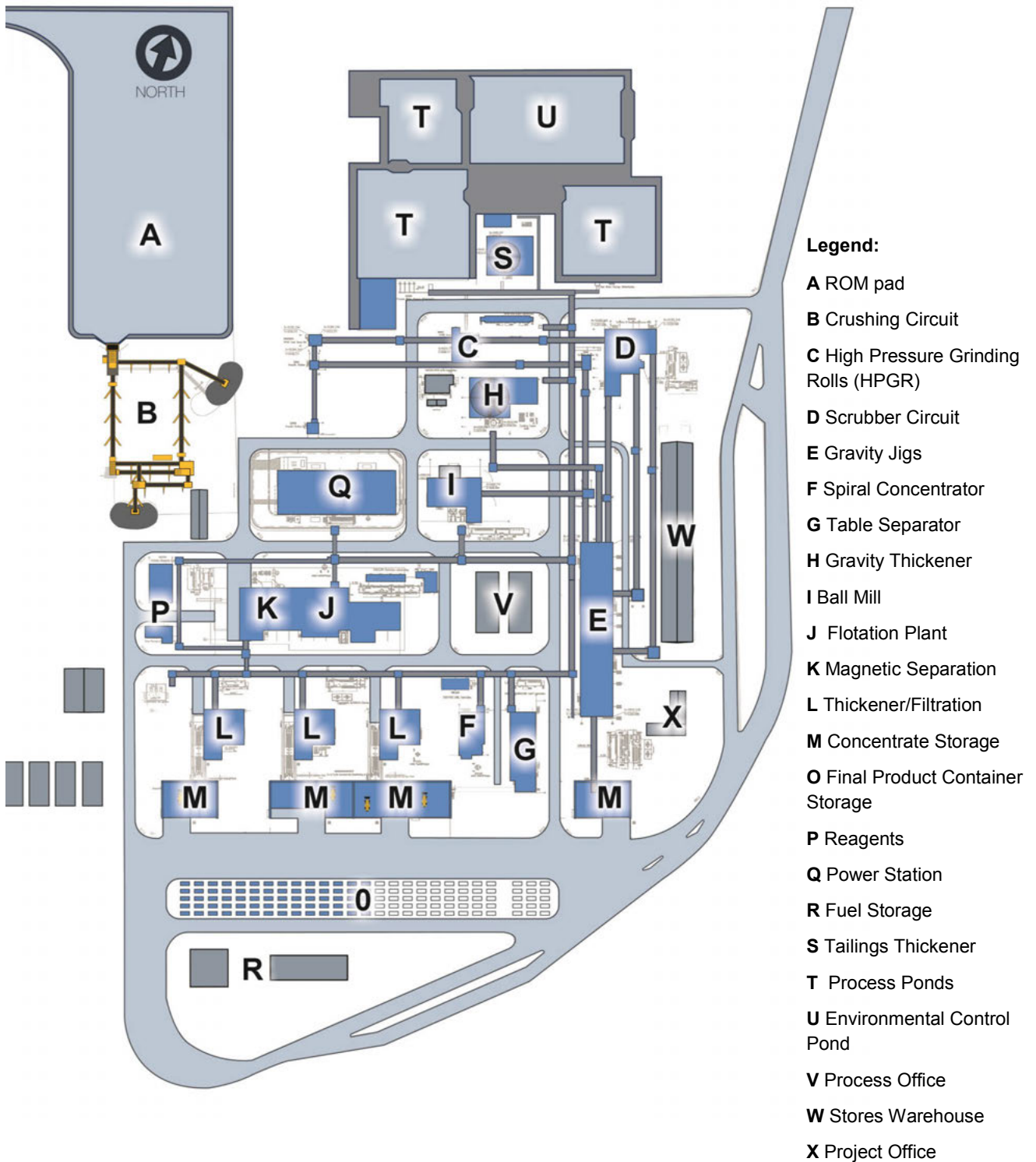


Figure 59: Process Plant - schematic location plan with key areas noted in approximate process flow-sheet order

Measured Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mib	Mib	Mib
0.20	83	0.36	273	0.09	6.4	0.74	1.0	669	1,369	1,787
0.40	44	0.63	355	0.13	5.6	1.13	1.3	614	1,108	1,300
0.80	19	1.23	504	0.22	5.8	1.96	2.2	506	809	894
Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mib	Mib	Mib
0.20	98	0.16	226	0.07	6.5	0.47	0.7	339	1,021	1,518
0.40	40	0.32	287	0.13	4.1	0.74	0.9	282	652	779
0.80	11	0.68	405	0.19	3.0	1.28	1.4	170	319	346
Total Measured and Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mib	Mib	Mib
0.20	181	0.25	248	0.08	6.5	0.60	0.8	1,008	2,390	3,306
0.40	84	0.48	323	0.13	4.9	0.95	1.1	896	1,759	2,079
0.80	30	1.02	467	0.21	4.8	1.71	1.9	676	1,128	1,240
Inferred Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mib	Mib	Mib
0.20	91	0.06	146	0.09	4.6	0.3	0.4	117	573	902
0.40	12	0.24	200	0.10	2.6	0.5	0.6	63	142	166
0.80	0.5	0.54	413	0.12	3.2	1.1	1.2	6	12	13
Total Resource Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mib	Mib	Mib
0.20	272	0.19	214	0.08	5.9	0.5	0.7	1,125	2,962	4,208
0.40	96	0.45	308	0.13	4.6	0.9	1.1	959	1,902	2,244
0.80	30	1.01	466	0.21	4.8	1.7	1.9	681	1,140	1,253

Additional Magnetite only Inferred Resource Rocklands Resource November 2013 at various cut-off grades						
cut-off	Tonnes	Estimated Grade				Contained Magnetite
Magnetite		Cu	Co	Au	Mag	
%	Mt	%	ppm	ppm	%	Mt
10	328	0.02	70	0.01	14.3	47
15	102	0.02	78	0.01	19.5	20
20	26	0.01	77	0.00	26.6	7

Note - Figures have been rounded to reflect level of accuracy of the estimates

\*Copper equivalent CuCoAu% = Cu % + Co ppm\*0.001232 + Au ppm\*0.518238

\*Copper equivalent CuEq% = Cu % + Co ppm \*0.001232 + Au ppm \*0.518238 + magnetite %\*0.035342

*This information is extracted from the report entitled "Rocklands Resource Update 2013" created on 29 November 2013 and is available to view on [www.cudeco.com.au](http://www.cudeco.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

## 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.

## Copper Equivalent (CuEq) Resource Calculation

The formula for calculation of copper equivalent is based on the following metal prices and metallurgical recoveries:

Copper: \$2.00 US\$/lb; Recovery: 95.00%  
Cobalt: \$26.00 US\$/lb; Recovery: 90.00%  
Gold: \$900.00 US\$/troy ounce Recovery: 75.00%  
Magnetite: \$195.00 US\$/tonne: 75.00%

$$\text{CuEq}\% = \text{Cu}\% + \text{Co ppm} * 0.001232 + \text{Au ppm} * 0.5181 + \text{Mag}\% * 0.035342$$

The recoveries used in the calculations are the average achieved to date in the metallurgical test-work on primary sulphide, supergene, oxide and native copper zones.

The Company's opinion is that all of the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

This information is extracted from the report entitled "Rocklands Resource Update 2013" created on 29 November 2013 and is available to view on [www.cudeco.com.au](http://www.cudeco.com.au).

## 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.

## Tenement Information

Further to the requirements of ASX Listing Rule 5.3.3, CuDeco Limited provides the following information regarding its mining tenements as part of its quarterly reporting obligations.

- The mining tenements held at the end of December 2014 and their location;

Tenement reference	Project	Company interest	Location
ML90177	Rocklands	100%	Cloncurry, NW Qld
ML90188	Rocklands	100%	Cloncurry, NW Qld
ML90219	Rocklands	100%	Cloncurry, NW Qld
MLA90235	MURLF	100%	Cloncurry, NW Qld
EPM18054	Morris Creek	100%	Cloncurry, NW Qld
EPM25426	Camelvale	100%	Cloncurry, NW Qld

- The mining tenements acquired and disposed of during the December 2014 quarter and their location.

**Nil**

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the December 2014 quarter.

**Nil**

- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the December 2014 quarter.

**Nil**

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

31 December 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	934	934
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(26) (14,959) - (2,454)	(29) (25,275) - (3,066)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	40	42
1.5 Interest and other costs of finance paid	(967)	(1,236)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(17,432)</b>	<b>(28,630)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3,499)	- - (42,992)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 (Increase)/Decrease in security deposits	171	196
<b>Net investing cash flows</b>	<b>(3,328)</b>	<b>(42,796)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(20,760)</b>	<b>(71,426)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(20,760)	(71,426)
1.14	Proceeds from issues of shares, options, etc.	6,153	6,153
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	62,384
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Borrowing costs	(404)	(2,155)
	Other – Shares acquired under employee share plan	(547)	(807)
	<b>Net financing cash flows</b>	<b>5,201</b>	<b>65,574</b>
	<b>Net increase (decrease) in cash held</b>	<b>(15,559)</b>	<b>(5,852)</b>
1.20	Cash at beginning of quarter/year to date	21,993	9,231
1.21	Exchange rate adjustments to item 1.20	960	4,015
1.22	<b>Cash at end of quarter</b>	<b>7,395</b>	<b>7,395</b>

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	502
1.24	Aggregate amount of loans to the parties included in item 1.10	-

#### 1.25 Explanation necessary for an understanding of the transactions

Rent	\$ 82
Directors fees and salaries	\$420

### Non-cash financing and investing activities

#### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter the Company issued the following shares in payment for the following capital items

- 2,433,830 shares at \$1.30 per share as payment of \$3,163,979 for the transportation of plant and equipment relating to the Rocklands project.
- 294,118 shares at \$1.70 per share as payment of \$500,000 towards the cost of construction of the Tailings Dam.

#### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (USD facility)	68,000	62,000
3.2 Credit standby arrangements	N/A	N/A

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	6,000
4.3 Production	-
4.4 Administration	1,200
<b>Total</b>	<b>7,250</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	976	4,484
5.2 Deposits at call	6,419	17,509
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,395</b>	<b>21,993</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	243,055,501	243,055,501	
7.4	Changes during quarter			
	(a) Increases through issues	294,118 4,902,410 2,433,830	294,118 4,902,410 2,433,830	170 125 130
	(b) Decreases through returns of capital, buy-backs			170 125 130
7.5	<b>*Convertible debt securities</b>			
	<i>(description)</i>			

+ See chapter 19 for defined terms.



7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	22,599,423	22,599,423	<b>Exercise price</b> \$2.50	<b>Expiry date</b> 31 December 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~ *does not\** ~~(delete one)~~ give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_  
(~~Director~~/Company secretary)

Date: 30 January 2015

Print name: Bruno Bamonte

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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