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## MARKET RELEASE

**25<sup>th</sup> June 2015**

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### ROCKLANDS COPPER PROJECT (CDU 100%)

## CUDECO SIGNS NATIVE COPPER SUPPLY AGREEMENT WITH ONE OF CHINA'S LARGEST COPPER RECYCLING GROUPS

CuDeco has entered into a supply agreement with the Shijiao, Qing Yuan based Group for up to 40,000 tonnes per year of high grade native copper, to be supplied in a concentrate grade of not less than 90% Cu.

**CuDeco's 100% owned Rocklands Group Copper Project near Cloncurry Queensland, Australia, produces the world's highest grade copper concentrate product at a grade of ~95% Cu.**

Rocklands native copper metal has a purity of ~99.7% Cu after separation from gangue rock. Simple crushing and screening of native copper ore produces a concentrate grade of ~95% Cu, resulting in significant savings in transport costs per tonne of shipped copper, and discounts to royalty payments compared to other copper concentrates.



*Figure 1: Part of a consignment of oversize native copper metal concentrate ~95% Cu, tipped into 23 tonne piles (half-container for each pile) at the Port of Townsville, for the purpose of umpire sampling and customs audit.*

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The Group is one of the largest copper recyclers in China with smelter, furnace and electrolytic treatment options, and is capable of producing blister Copper, Copper anode and 99.999% Cu metal.

CuDeco's Rocklands copper-cobalt-gold deposit includes unique high-grade supergene enrichment from near surface to depths of 180m, including high-grade copper minerals chalcocite and bonanza-grade coarse native copper metal that persists through oxide, supergene and primary ore types.

The majority of the deposit however is dominated by primary sulphide ore containing chalcopyrite (copper mineral) and pyrite (associated with cobalt), commencing just 12m from surface.

### **The extent and pervasive nature of coarse native copper is unique**

The Rocklands Group Copper Project will be one of the world's lowest cost copper producers.

Multiple ore types will be concurrently processed at the Company's 3mtpa mineral processing plant, being constructed by China State owned Sinosteel Corporation and is currently nearing completion. Electrical and computer systems cabling is the last step prior to preliminary commissioning activity, and is well underway with over 120 electrical contractors now on site.

Whilst the processing plant is being constructed, interim native copper production has continued using simple crushing and screening of oversize native copper (+40% fraction size) ore through the Company's Crushing Circuit, which is completed and fully operational. Modifications to the Crushing Circuit by the Company during initial commissioning vastly improved performance and reliability, with recent crushing rates of 900tph, almost double original nameplate design capacity.

After removal of coarse native copper via scalping, the remaining crushed ore is stockpiled for future direct feed to the process plant, by-passing the Primary Crusher and providing contingent crushed ore security during the intensive commissioning period. After removal of coarse native copper (+40mm) via crushing and screening, the high-grade native copper stockpile is estimated at 9.48% Cu, (confirmed via check-assay).



*Figure 2: Simple crushing and screening of coarse native copper ore is generating an extremely high-grade native copper metal product (~95% copper) suitable for interim sales and early cash-flow.*



The company will release an update on current activities at Rocklands in the coming days.

On behalf of the Board

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*Figure 3: Containers being loaded at Rocklands (top image); and native copper in storage at the Port of Townsville, re-combined for loading back into containers after being selectively tipped out for umpire sampling and customs audit.*

## Competent Person Statement

*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.*