
MARKET RELEASE

2nd November 2015

ROCKLANDS COPPER PROJECT (CDU 100%)

ROCKLANDS PROJECT GAINS MOMENTUM

NEW LOGISTICS AND FUEL SUPPLY DEAL SIGNED

**Fully integrated mine-to-port haulage and port solution signed
Supply and delivery of bulk fuel to Rocklands mine site signed
CuDeco to save \$80m on previously planned storage facilities**

Cloncurry mining Company, CuDeco Limited (ASX Code: CDU, **CuDeco**) has further advanced its flagship Rocklands Group Copper Project, announcing today the signing of a five-year Mine to Port Transport and Logistics Agreement, with a five-year extension option, with Townsville Bulk Storage and Handling (TBSH).

The new logistics contract supplements the recent signing of an agreement with TBSH for the supply and delivery of bulk fuel to the Rocklands mine in Cloncurry, north-west Queensland. The fuel contract allows TBSH to supply and deliver up to 750,000 litres of diesel per week, to fuel CuDeco's constructed 28 MW cummings power station, mining fleet and light vehicles.

CuDeco Managing Director Peter Hutchison said the new agreement reflected CuDeco's policy of maximising the economic benefits of the Rocklands project for the region, including a commitment to employing Cloncurry residents.

"Securing this agreement with TBSH is a significant step in the development of the Rocklands Group Copper Project, with a commercially viable end-to-end logistics solution that is essential in realising shareholder value. We look forward to working closely with TBSH to undertake our first product delivery to our offtake partner in early 2016," Mr Hutchison said.

"Adding to the agreement's benefits, CuDeco will no longer require its own loading and storage facilities in Cloncurry and Townsville, saving the Company an estimated \$80 million in capital works costs."

A single service provider that controls and manages all aspects of the logistics chain is attractive to CuDeco, to ensure a trouble-free and reliable service. TBSH is a trusted and established transport, warehousing and stevedoring service provider, and the largest privately owned service provider in north Queensland offering a fully integrated haulage and port services solution.

Under the agreement, Rocklands concentrate will be shipped in closed half-height containers from the mine site through to Townsville, where it will be loaded onto ships for delivery to local and international markets by sea. The entire logistics chain will be managed by TBSH, including transport of up to 850,000 tonnes of copper and cobalt/pyrite concentrates (+including gold/silver credits), over the first five years of production from the Rocklands mine site.

The agreement includes:

- Loading of concentrate product at the Rocklands mine site, in closed dust-proof containers;
- Road transport of the dust-proof containers between Cloncurry and Townsville;
- Storage of concentrate in closed containers at TBSH depot in Townsville; and
- Direct loading of concentrate product onto ships at the Port of Townsville using retainer technology.

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Figure 1 (left to right); Native copper in containers at Rocklands, TBSH trucking by road, TBSH ship-loading (Port of Townsville).

The agreement also includes the supply of half-height closed containers and back-delivery of same on returning trucks, at no additional cost to CuDeco, replacing the Company's previously announced proposed loading and storage facilities in Cloncurry and Townsville.

TBSH Director Dewayne Cannon said: "This contract with CuDeco reinforces our proven ability to handle materials at the highest environmental standards, utilising our state of the art rotainer loading system at the Port of Townsville. We look forward to working with CuDeco as it prepares to become Australia's next copper exporter."

CuDeco's interim independent Chairman, David Taylor said: "CuDeco continues to advance its flagship copper project and is currently in the final stages of construction of its 3 million tonne per annum processing plant. As the Rocklands Project prepares for first production, the awarding of the logistics contract is an important step on the path to significant revenue."

The logistics agreement adds to the Company's recent financing agreement announced on 29 October 2015, demonstrating the Company's commitment to delivering its flagship project for the benefit of shareholders.

Yours faithfully,

Peter Hutchison
Managing Director

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