LIMITED
CuDECO
THE NEW FORCE IN COPPER

ACN. 000 317 251

MARKET RELEASE

3rd February 2016

ROCKLANDS COPPER PROJECT (CDU 100%)

ROCKLANDS 90% COMPLETE
LIVE-FEED PLANNED FIRST QUARTER 2016

Cloncurry mining Company CuDeco Limited (ACN 000 317 251) (**CuDeco**) announced today that the Company's flagship Rocklands Group Copper Project is approximately 90% complete, with live feed set to commence in the first quarter 2016.

As we approach this milestone only certain buildings, minor site infrastructure works and completion of the process plant electrical installation remain for the new mine near Cloncurry, north west Queensland.

Approximately 14 million tonnes of ore and waste has been mined from production pits and there is an estimated 2.4 million tonnes of ore stockpiled and ready for processing.

CuDeco Managing Director Peter Hutchison said, "Development of the Rocklands Group Project has continued through the Christmas break unabated and we are now finalising the remaining 10% of required works. As various circuits at the Process Plant are completed or near completed, bump-testing and preliminary commissioning activity is being undertaken, including first-feed to the belts."

"This is a very exciting time for everyone associated with the Rocklands Project, and I would like to commend them on their efforts in successfully steering the Project."

CuDeco General Manager Mark Roberts said, "The Project is currently on track for live feed to commence in the first quarter of 2016, with mining planned to re-commence sometime after, based on the recommendations of the Rocklands operations team and management. Production and processing ramp-up plans are now being refined and the recruitment of processing staff is well underway, with recruitment of mining staff soon to follow. I look forward to a very busy and successful period ahead."

"Rocklands will generate valuable new jobs and other economic benefits for North Queensland as the ramp up of the workforce continues and CuDeco progresses to becoming Australia's next copper exporter."

The Rocklands operation will process the highest grade available ore first, sourced from stockpiles or directly from the pit, based on an accelerated mining plan that will effectively complete 10 years of mining in less than seven.

CuDeco Asset and Development Manager David Wilson explained: "Increasing the mining rate brings forward some costs, but also facilitates enhanced ore control with a weighting towards high-grade feed at the front-end of the Project. Combined with appropriate ore management, the net effect is to mitigate the discounting factor of delayed revenue and this has a significant impact on both cash-flows and project Net Present Value."

"Rocklands will essentially process the best 18 million tonnes of ore in the first six to seven years of the operation. We will then retire the mining fleet and enjoy significantly reduced operating costs as we commence processing around 10 million tonnes of the lower grade stockpiled ore."

Production ore feed is planned to commence in approximately six to eight weeks, to be followed a few weeks later by processing of around 400,000 tonnes of previously crushed high-grade native copper ore, according to a ramp-up schedule designed to reach nameplate capacity in four to five months.

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CuDeco Independent Non-Executive Director and Chairman Dr Noel White added, “I am very impressed with the scale and advanced stage of the Rocklands Project, and believe that with a newly energised Board and appropriate funding support, we have the right people in place to ensure a successful project for the benefit of all shareholders.”

Process Plant Highlights;

- Commissioning manager recruited and has commenced.
- Balls for ball mill first fill have arrived.
- Process and raw water ponds are lined and filled with water.
- Leak testing of piping and tanks underway – raw water piping, cooling water piping, thickeners, and gland water tanks.
- Distribution Control System (DCS) I/O checks are underway in the high pressure grinding rolls (HPGR), scrubber, jigging and cooling water areas.
- Raw water pumps, cooling water system, tails gland water pumps have been commissioned on water.
- Preliminary ore testing of first three conveyors, and HPGR surge bin and feeder completed.

Figure 1: E-house cabinet inspection by CuDeco and Honeywell Australia staff (above right) and; first feed on conveyor 2.

Figure 2: First feed on conveyor 3 (surge bin in background - above) and; process and raw water ponds are lined and filled with water (below).

Figure 3: First feed to conveyor 3 (feeds to HPGR - structure behind the conveyor in background).

Figure 4: Wet season rains are helping to fill the Water Storage Facility (WSF), and; Process Plant Fuel Farm is complete and has a storage capacity of 600,000 litres.

Figure 5: Overburden being removed from the Rocklands South Pit in an area previously known as Telstra Hill.

Mining Highlights;

With mining temporarily suspended, the Company has retained a single, small mining crew to facilitate ongoing development activity and when time permits, continue strip-back of overburden at the Rocklands South Pit area.

Exploration Highlights;

Low-level exploration has been ongoing at EPM18054 where bedrock drilling along existing roads has been completed. Several anomalous copper zones have been identified and will be followed up in future exploration.

At the end of 2015, a shallow Rotary Air Blast (RAB) bedrock drilling programme commenced at the first of several priority exploration targets, and visible fine-grain native copper, (and minor malachite and chalcocite) has been observed in many holes. Copper grades are not expected to be high, and the significance of this development is yet to be determined.

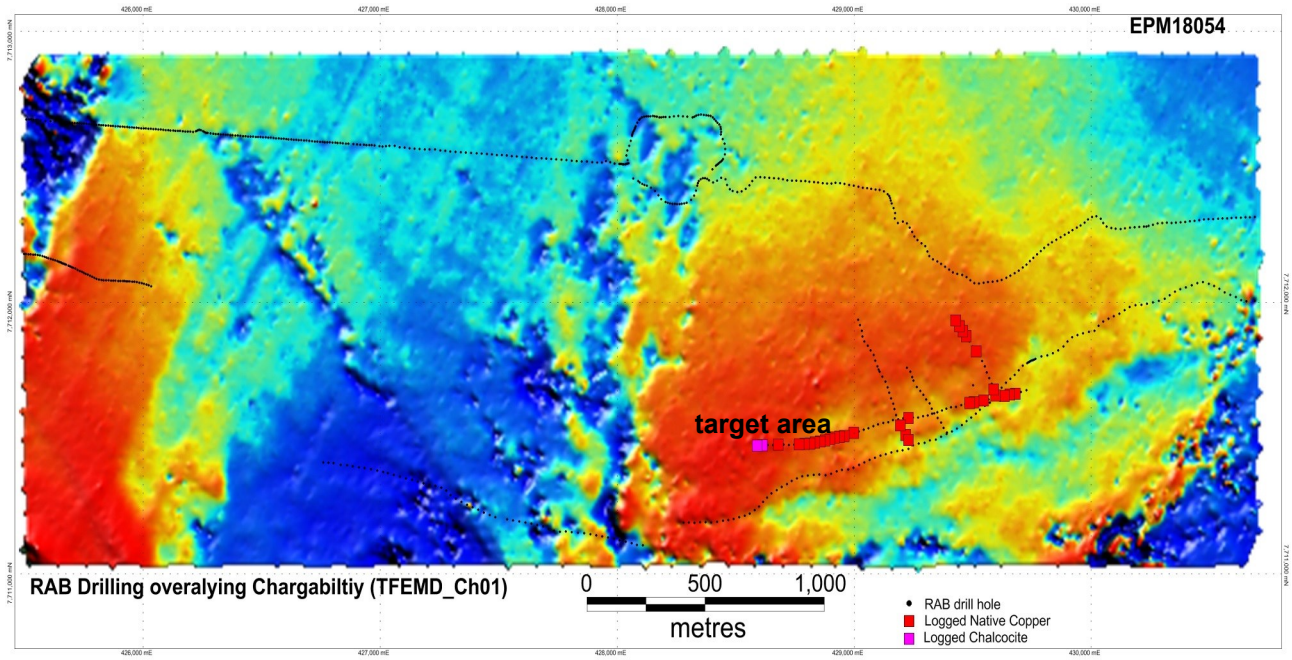

Figure 6: EPM18054 (Chargeability survey - CH1) showing completed RAB drilling along existing roads and the first of several planned priority target areas to be tested. Observed fine-grain native copper appears to correlate well with the target area, however the programme is ongoing and results should be seen as preliminary only.

The RAB bedrock programme is designed to drill to the depth of "first refusal", typically to the base of weathering which can range from 3m to 12m generally, but with occasional deeper zones to 18m. The last metre is then sampled for analysis and drill chips logged for lithology and minerals present.

Once the planned programme has been completed at this initial target, and sufficient analysis conducted, a follow up Reverse Circulation (RC) or diamond drill programme will be planned to test for mineralisation at depth.

For and on behalf of the board.

- ends -

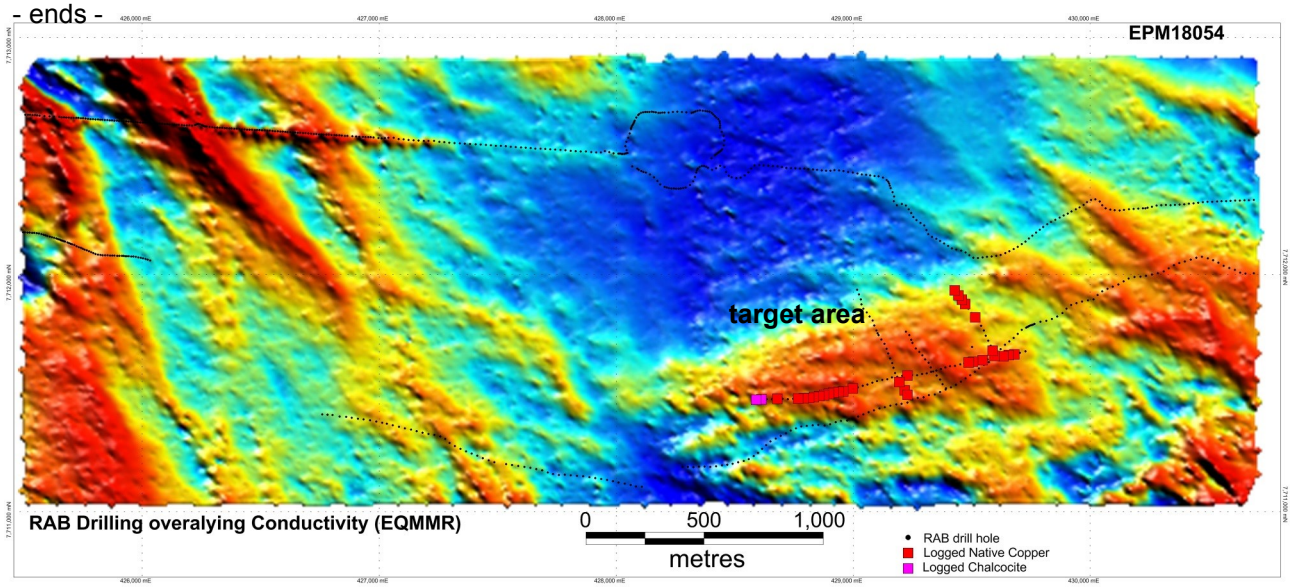

Figure 7: EPM18054 (SAM EQMMR - conductivity) showing completed RAB drilling along existing roads and the first of several planned priority target areas to be tested. Observed fine-grain native copper appears to correlate well with the target area, however the programme is ongoing and results should be seen as preliminary only.

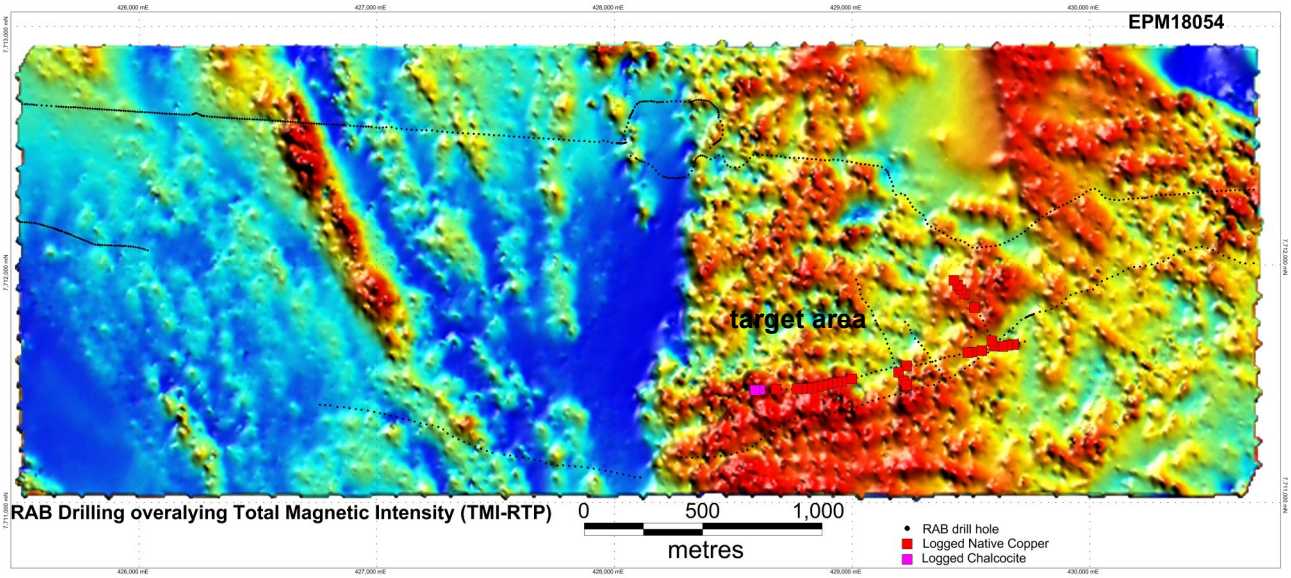

Figure 8: EPM18054 (SAM Total Magnetic Intensity (TMI) Reduced to Pole (RTP) - magnetics) showing completed RAB drilling along existing roads and the first of several planned priority target areas to be tested. Observed fine-grain native copper appears to correlate well with the target area, however the programme is ongoing and results should be seen as preliminary only.

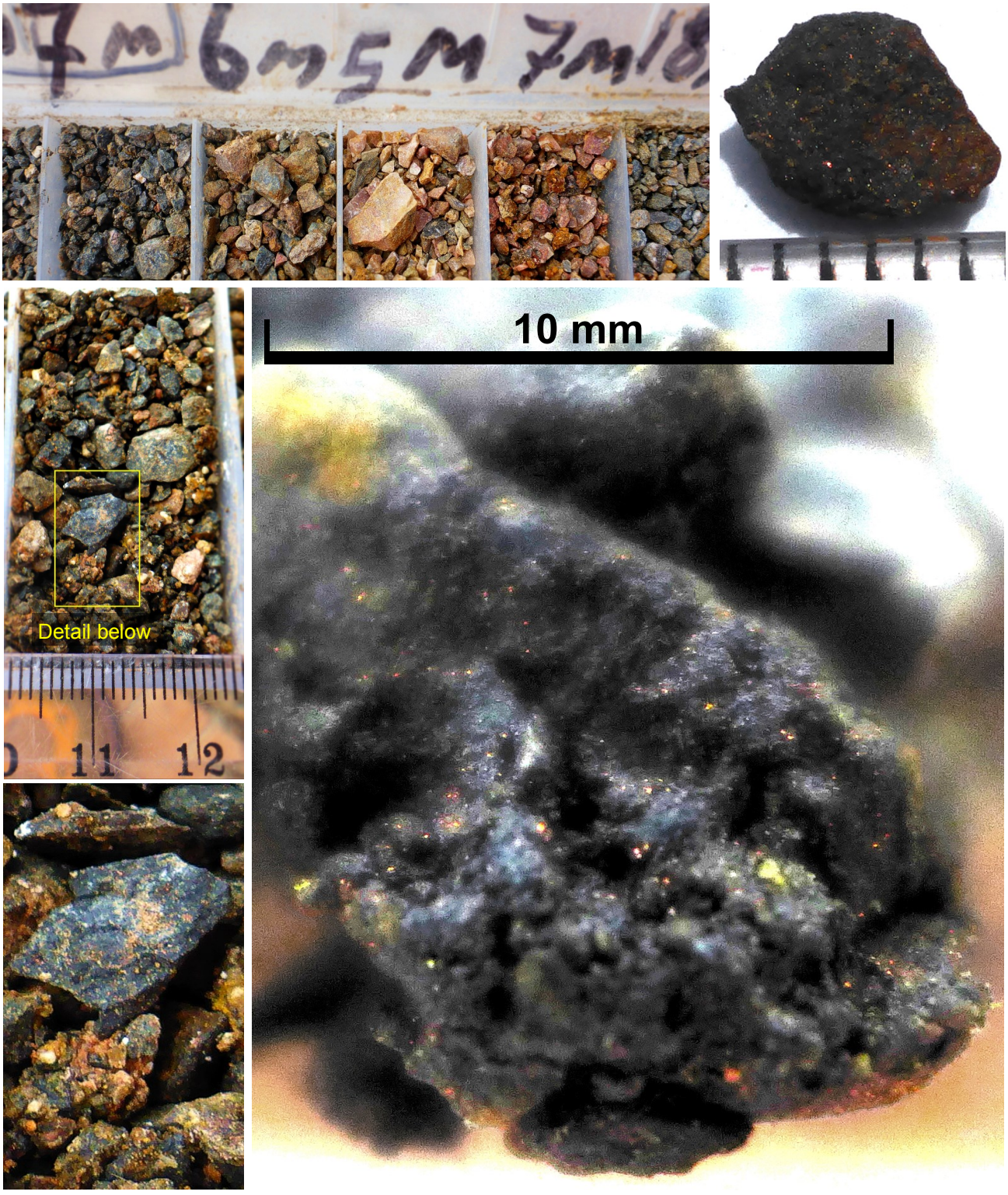

Figure 9: Observed copper minerals including fine-grained native copper in RAB chips. Top-left image shows chip-tray and changes in lithology across the sample line (samples are taken every 25m along the drill line). Native copper is widespread and has been observed in most rock types encountered in the target area to date. Middle-left image shows weathered dolerite breccia with supergene copper minerals including observed fine-grained native copper. Bottom left shows detail of rock chip from the middle-left image, highlighting native copper and supergene copper minerals in the weathered rock matrix. Top and below-right are close-up images showing native copper and possible chalcocite in highly-weathered rock matrix (tending to clay).

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Bedrock, Rotary Air Blast (RAB) drilling involves drilling through thin topsoil and cover to point of refusal of drilling, then a further 1m is drilled and sampled and sent to the lab for assay.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Rotary Air Blast (RAB) drilling of vertical holes to varying depths
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	RAB drilling averaged 70% recovery.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	Drill samples were logged for lithology, mineralisation and alteration using a standardised logging system, including the recording of visually estimated volume percentages of major minerals.

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Samples sent for analysis are collected in a slide-tray placed beneath and around the RAB hole during the last meter of drilling. SGS Minerals Townsville Sample Preparation: All samples were dried. Drill core was placed through jaw crusher and crushed to approx. 8mm. RAB chips and core were split if necessary to a sample of less than approximately 3.5kg.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Cu and Co grades were determined by 3 acid digest with either an ICP-AES (Inductively-Coupled Plasma Atomic Emission Spectrometer) or AAS (Atomic absorption Spectrometer) determination (SGS methods, ICP22D, ICP40Q, AAS22D AAS23Q, AAS40G). Au grades were determined by 50g Fire Assay (at SGS Townsville method FAA505). All analyses were carried out at internationally recognised, independent assay laboratories SGS. Quality assurance was provided by introduction of known certified standards, blanks and duplicate samples on a routine basis. Assay results outside the optimal range for methods were re-analysed by appropriate methods. Copper assay results differ little between acid digest methods but cobalt assay results show a significant underestimation when analysed using the AAS. Ore Research Pty Ltd certified copper and gold standards have been implemented as a part of QAQC procedures, as well as coarse and pulp blanks, and certified matrix matched copper-cobalt-gold standards. Performance for standards has been adequate. QAQC monitoring is an active and ongoing process on batch by batch basis by which unacceptable results are re-assayed as soon as practicable.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	No adjustments have been made to assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control*	All drill holes have been surveyed with a differential global positioning system (DGPS) to within 10 cm accuracy and recorded. All drill holes were vertical.

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drilling has been completed on multiple roads that transect the lease, commencing at 20m spacing and then closing to 10m and 5m for further delineation when warranted. Holes have been drilled to a maximum of18 m vertical depth
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drilling was completed on road ways across the EPM, and latter on a grid across an area identified by geophysics and field reconnaissance that identified insignificant and sporadic copper minerals at surface. The drill programme is preliminary and the orientation of the mineralisation is unknown at this time.
Sample security	*The measures taken to ensure sample security.*	Samples are either dispatched from site through a commercial courier or company employees to the Laboratories. Samples are signed for at the Laboratory with confirmation of receipt emailed through. Samples are then stored at the laboratory and returned to a locked storage shed on site.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	CuDECO conducts internal audits of sampling techniques and data management on a regular basis, to ensure industry best practice is employed at all times.
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Morris Creek Tenement is located adjacent to the granted mining lease ML90177
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No known results are reported in open-file documentation that indicate possible mineralisation in EPM18054, other than; two rock-chip samples in the south-west corner (adjacent to mineralisation found west of the EPM), and; several BLEG testing locations with results below levels of interest.
Geology	*Deposit type, geological setting and style of mineralisation.*	Hosted within metamorphosed meso-Proterozoic age volcano-sedimentary rocks and intrusive dolerites of the Eastern Fold Belt of the Mt Isa Inlier.

JORC Table 1 - Section 2 - Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Drill hole Information</td><td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>Drill hole locations where minor native copper and chalcocite were observed..
<table>
<tr><th>Hole ID</th><th>Easting</th><th>Northing</th><th>RL (m)</th><th>Azi (°)</th><th>Dip (°)</th><th>Hole Depth (m)</th></tr>
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Datum: MGA94 Project: UTM54 surveyed with Differential GPS with 10cm accuracy</td></tr>
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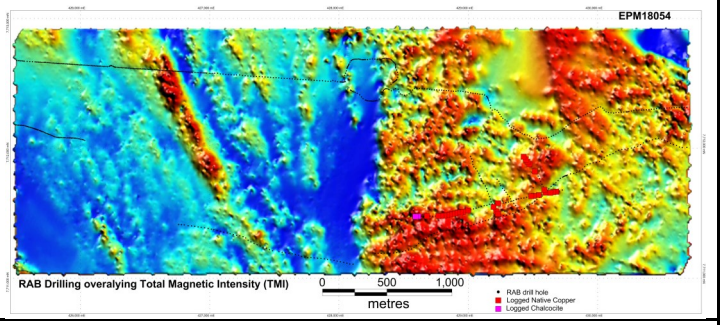
JORC Table 1 - Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No assay results are reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Drill holes reported here are vertical holes.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	No assay results are reported
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	First release on new exploration permit EPM18054.

JORC Table 1 - Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	RAB drilling will continue within the EPM to delineate the boundary of the native copper zone, and to facilitate analysis possibly leading to further drilling including RC and/or diamond holes.

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.

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.