



ACN. 000 317 251 (ASX:CDU)

MARKET RELEASE

11th May 2016

ROCKLANDS GROUP COPPER PROJECT - 100% OWNED BY CUDECO

RIGHTS ISSUE CLOSES

ROCKLANDS FUNDED TO PRODUCTION

CuDeco Limited (CuDeco) announced today the closing of its \$63 million Non-Renounceable Rights Issue, with the funds to be used towards completion of the Company's 100% owned flagship Rocklands Group Copper Project, in Cloncurry, NW Queensland. The funds will facilitate final commissioning and ramp-up, working capital requirements and subsequent first shipment of copper products.

Initial commissioning activity has been focusing on copper production only, including through the gravity (native copper) and flotation (sulphide copper) circuits. When the copper circuits reach steady-state, it is planned that the pyrite/cobalt and DMS magnetite circuits will be commissioned and these streams also brought online.

This staged approach helps simplify the commissioning process, reduces ramp-up times to reach nameplate throughput, and brings-forward much anticipated revenue.

CuDeco Managing Director Peter Hutchison said, "Shareholders' strong support for the rights issue is evidenced by the applications received, totaling approximately 42 million shares from eligible shareholders, with the remainder to be allocated to the sub-underwriters."

"With significant support from our major shareholders and careful management of expenditure, we have been able to steer the Company through a challenging 10 months or so. With funding now available, I see no impediment to completing the final stages of commissioning, through to first product deliveries. It has been a herculean effort from all involved at Rocklands, and I sincerely thank everyone for their contribution to a successful outcome."

ROCKLANDS GROUP COPPER PROJECT OVERVIEW

CuDeco Independent Non-Executive Director and Chairman Dr Noel White added, "With the lifting of the suspension of trading of the Company's shares (ASX:CDU) after some 10 months of being suspended, it is perhaps appropriate to highlight just how far the Company has come, and how close we are to generating significant free cash-flow for the benefit of shareholders."

"Management changes and an improved level of disclosure, as underlined by the recent releases of the Rocklands Maiden Ore Reserve and Feasibility Study, should provide shareholders with a new sense of confidence. In the same light, following this letter is a comprehensive summary presenting key aspects of the Rocklands Group Copper Project that will be referenced during a Roadshow that is planned to lift the investment profile of CuDeco within the wider investment community over coming months."

"Once CuDeco starts generating revenue, we expect there will be a re-rating in the Company's shares."

For and on behalf of the board

-ends

Rocklands Group Copper Project - May 2016 Update follows...

Unit 33, Brickworks Annex, 19 Brolga Avenue, SOUTHPORT 4215

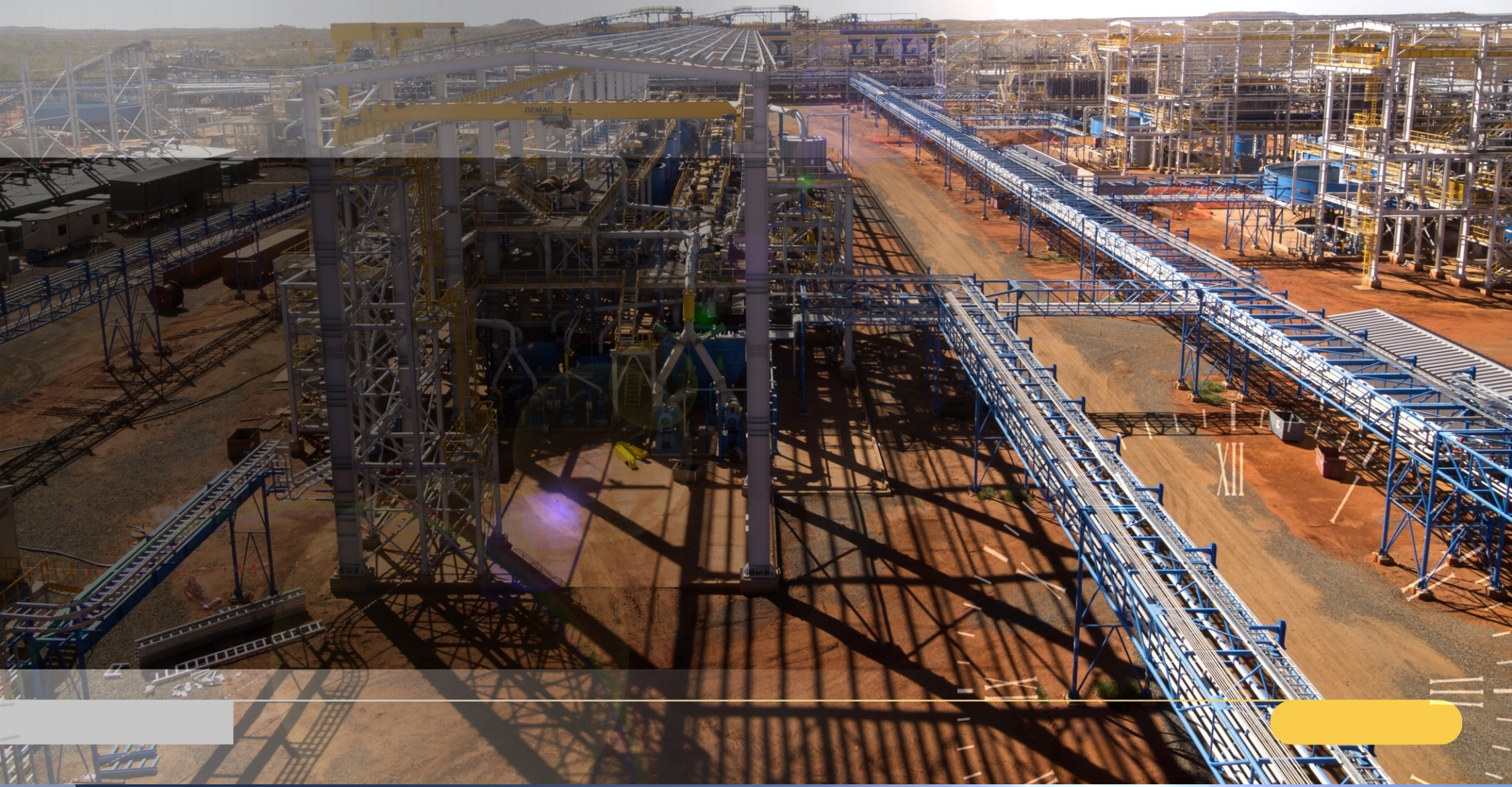
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CuDECO LIMITED

Australia's next copper exporter

ROCKLANDS GROUP COPPER PROJECT - May 2016 Update





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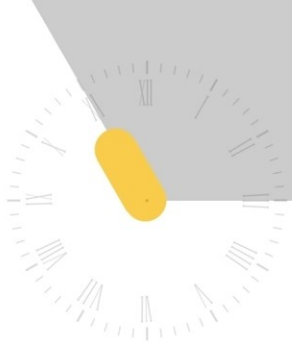
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All figures are expressed in Australian dollars unless stated otherwise.





Overview

Non-renounceable Rights Issue raises a further \$63 million

1 for 4 Non-Renounceable Rights Issue at an Issue Price of \$0.80 per New Share

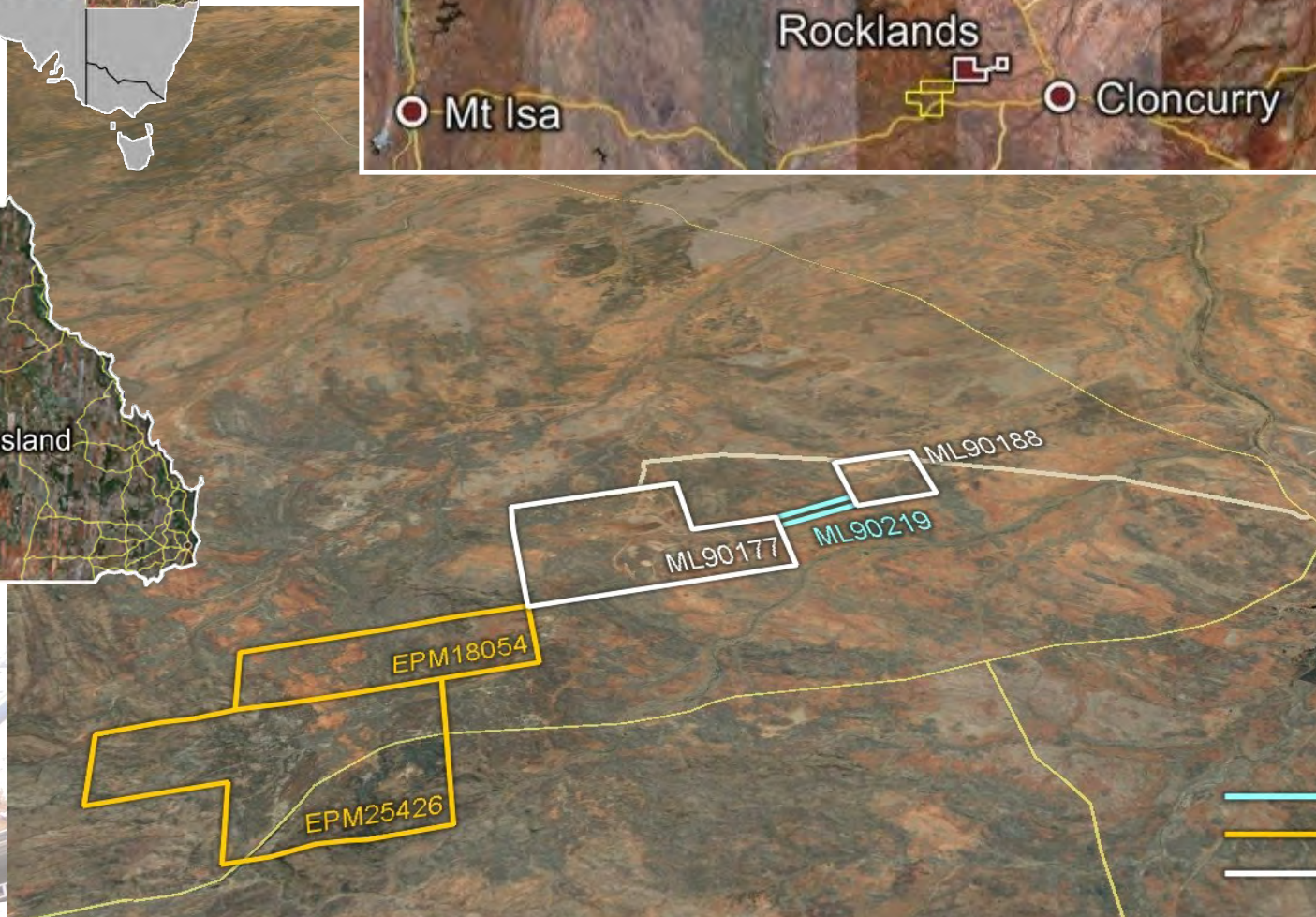
The funds will be used to:

- Fund capital expenditure (CAPEX) for completion of construction of Rocklands' 3 million tonnes per annum Processing Plant;
- Provide working capital/operating expenses (OPEX) through commissioning; and
- Repay existing short-term debt.

Effect on share register:

| Shares on Issue | Approx. New Shares | Maximum total of shares |
|--------------------|--------------------|-------------------------|
| 315,422,167 | 78,855,542 | 394,277,709 |

Rocklands Copper Project Location



- Infrastructure Lease
- EPM
- Mining Lease

Rocklands Process Plant



Project Timelines

2006 (May) Discovery of Rocklands deposit (resource drilling completed end 2013)

2006 (Aug) Apply for first of several Mining Leases (main block)

2009 (Jun) Native Title Agreements finalised

2011 (May) Metallurgical studies materially completed (fine-tuning ongoing to 2015)

2011 (May) Resource estimate completed (subsequently updated Nov 2013)

2011 (Nov) Compensation Agreements signed (Landowner, Cloncurry Shire)

2011 (Dec) Mining Leases Granted

2012 (Jun) Site development and construction of Process Plant commences

2012 (May) Free-dig mining commences (strip-back & removal of organic matter)

2012 (Dec) Hard-rock mining of waste commences (mining ore from April 2013)

2013 (Jan) Detailed mine planning completed (subsequently updated Jan 2014)

2015 (Sep) Ore stockpiles reach 2.4 million tonnes (including 0.9Mt @ 1.7% Cu)

Discovery &
resource
definition
COMPLETED

Administrative
COMPLETED

Mine
development
COMPLETED

2016 (early) Commissioning of Process Plant

2016 (2nd Quarter) First commercial shipments of concentrate

Production
IMMINENT



New Board and Management Structure

CuDeco aims to improved stakeholder engagement through a collaborative approach and increased disclosure:

Board of Directors

Independent Non-Executive Chairman

Dr Noel White

Managing Director

Peter Hutchison

Independent Non-Executive Director

Paul Keran

Independent Non-Executive Director

Zhijun Ma

Nominee Non-Executive Director

Hongwei Liu

Nominee Non-Executive Director

Zhaohui Wu

Nominee Non-Executive Director

Dr Dianmin Chen

Senior Management

Managing Director

Peter Hutchison

Rocklands General Manager

Mark Roberts

Asset and Development Manager

David Wilson

Processing Manager

Ross Cook

Mining Manager

Ryan Kemp

Company Secretary/CFO

Bruno Bamonte

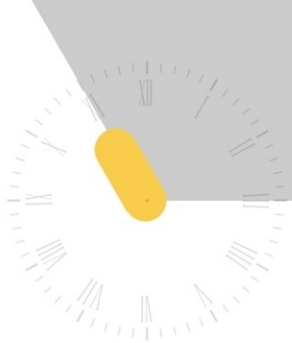


Key Project Highlights

100% owned by CuDeco from Discovery to Production

New management to drive the project

- Capital costs to end December 2015 of A\$637 - funded primarily by equity placements (A\$493 capex and A\$144m in capitalised opex)
 - Present debt US\$65 million to the China Minsheng Banking Corporation and A\$6.3 million to major shareholders
- Rights Issue raises A\$63 million before costs to provide sufficient capital through commissioning to commencement of production



Ore Reserves

Polymetallic ore (Cu-Co-Au +magnetite) commences from surface

Proved & Probable Reserves: 28Mt @ 0.90 Spec_CuEq

(Cu=0.71%, Co=357ppm, Au=0.14g/t, magnetite=6.7%)

Included Within the Ore Reserve:

High-grade Ore Reserve: 10.4Mt @ 1.61% Spec_CuEq

(1.39% Cu, 0.24g/t Au, 504ppm Co, 6.6% Mag)

Low-grade Ore Reserve: 17.4Mt @ 0.48% Spec_CuEq

(0.31% Cu, 0.08g/t Au, 269ppm Co, 6.8% Mag)

- 252,000 tonnes of contained copper metal equivalent

199,000 tonnes of copper

126,000 ounces of gold

10,000 tonnes of cobalt

1.9Mt tonnes of magnetite



Ore Reserves

Majority of ore is primary (sulphides), dominated by chalcopyrite

Reserves include Proved Stockpiled ore of 2.2Mt @ 1.34% Spec_CuEq
(1.02% Cu, 670ppm Co, 0.19g/t Au, 6.6% magnetite)

- Over 82% of ore is Proved reserves = highest confidence
 - Unique and pervasive high-grade native copper zone (sufficient scale to justify extraction through dedicated circuit)
- Resource upside - project life can be extended from existing resources
- Exploration upside - prospective ground, potential to quickly monetise new discoveries on existing ML's and EPM's



Key Project Highlights

Favourable and safe mining jurisdiction

Existing and reliable infrastructure

- Mine to Port logistics - contract awarded to TBSH (includes supply of containers) - significant savings on forecasted infrastructure spend
- Proximity to local township negates need for accommodation camp - township boasts facilities and services required to attract family living and enhance staff retention -
- CuDeco is committed to employing locally where possible and maximising local economic benefits



Feasibility Study

Feasibility Study - Key Financials of the Stage-1, 10-year mine plan:

NPV_{8%} before Tax: A\$465 million (\$405 million after tax)

- Project revenue: \$1,930 million
- Operating costs: \$1,299 million
includes mining, processing, transport, general and administration, treatment and refining charges, sales costs and royalties
- Net free cash-flow from operations: \$631 million
- Remaining capex spend: \$64 million
- NPV_{8%} (after tax, and after remaining capex): \$405 million

The Feasibility Study is prepared with the level of detail and structure of a mining project feasibility study and has been reviewed by independent recognised industry professionals, including technical due diligence in the areas of geology, engineering, metallurgy and finance. The Rocklands Feasibility Study was prepared for CuDeco Limited by Mining Associates Pty Ltd and is referenced by the December 2015 Reserve Statement for the Rocklands Group Copper Project, prepared by Australian Mine Design and Development. The Feasibility Study draws on the numerous studies and reports undertaken by and for CuDeco and covers the Stage-1, 10 year mine plan, which is the initial phase of a multi-stage development and production strategy for Rocklands and is likely to extend beyond the 10 years covered by the Feasibility Study.



Feasibility Study

Feasibility Study - Highlights of the Stage-1, 10-year mine plan:

Average yearly LOM Production rate: 25,319 tonnes CuEq* (18,347 tonnes Cu)

- Remaining mine-life strip-ratio low at 4 to 1
- Mining costs A\$3.06 per tonne (LOM average)
- Processing costs A\$13.30 per tonne (LOM average)
- Average LOM Mill feed: 3Mtpa (2.74Mtpa) - can be increased
 - Mine Life: 10 Years**
- C1 LOM Cash Costs CuEq: A\$/1.13 per pound lb of CuEq

** copper equivalent includes cobalt, gold and magnetite, see Section 15, JORC Table 1 for details of this calculation.*

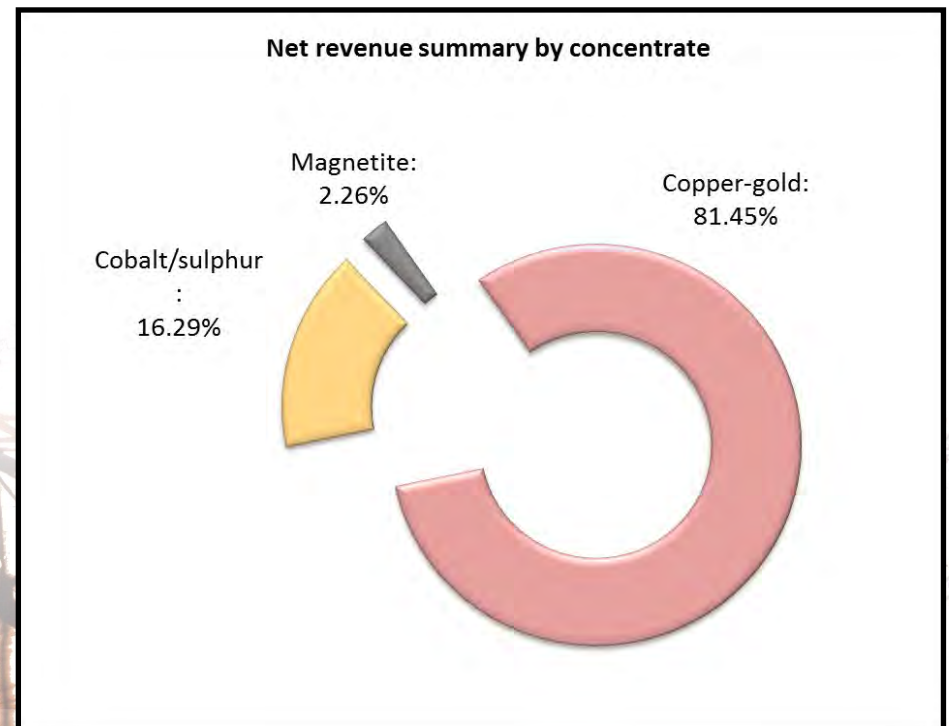
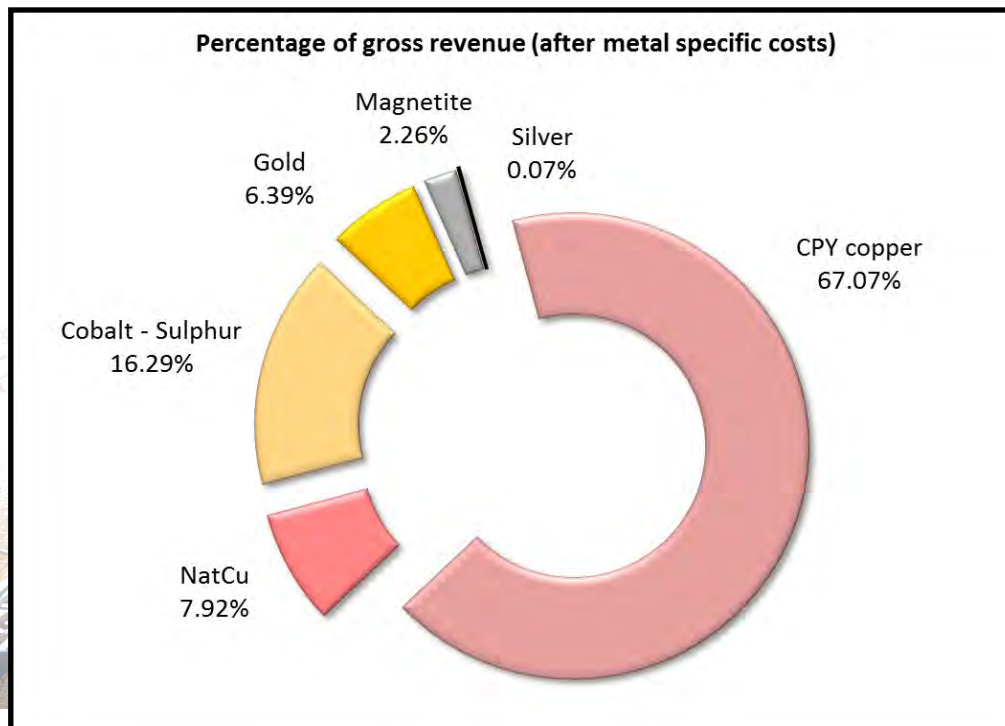
*** Based on resources the mine life is expected to be extended*

Feasibility Study

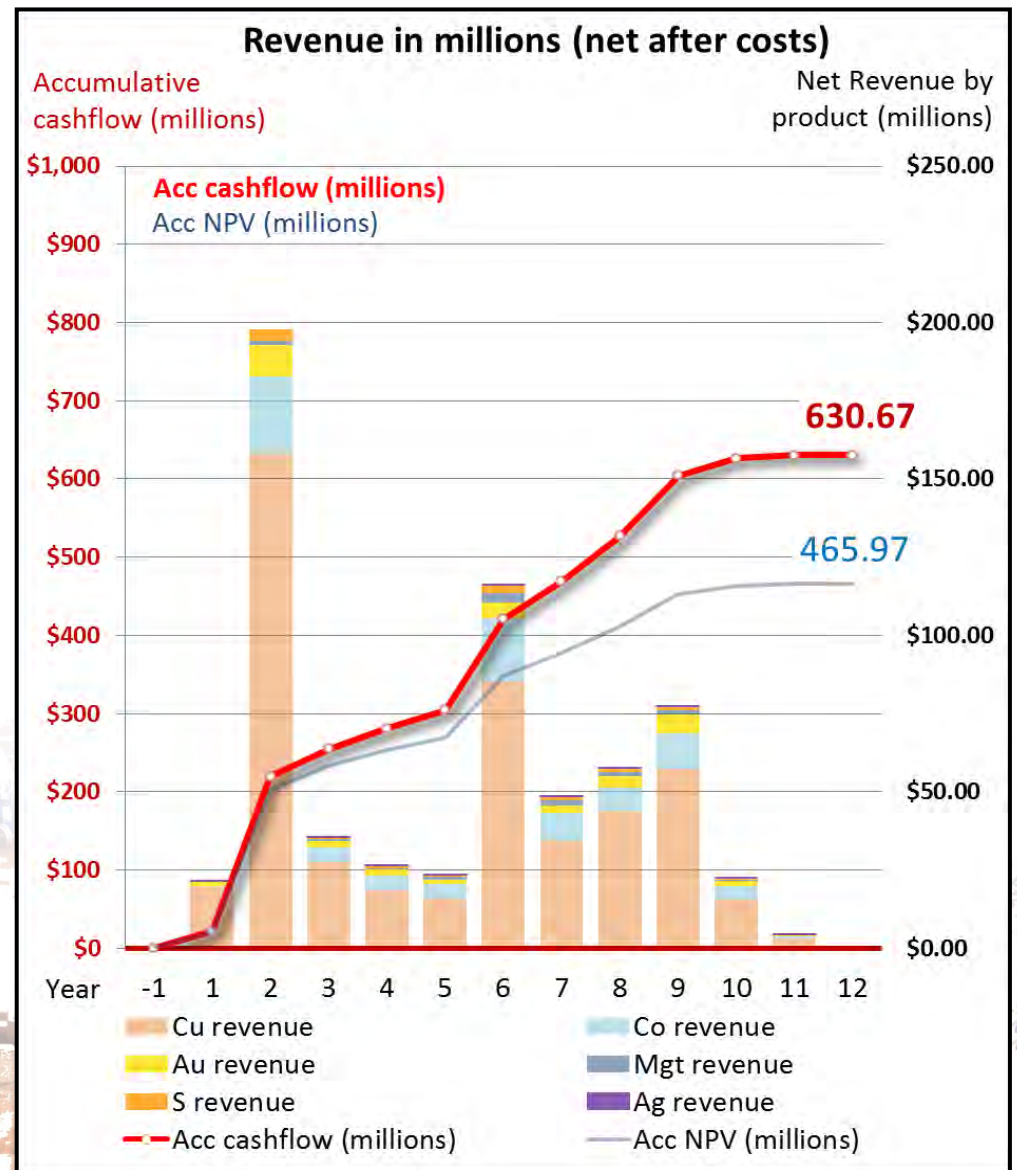
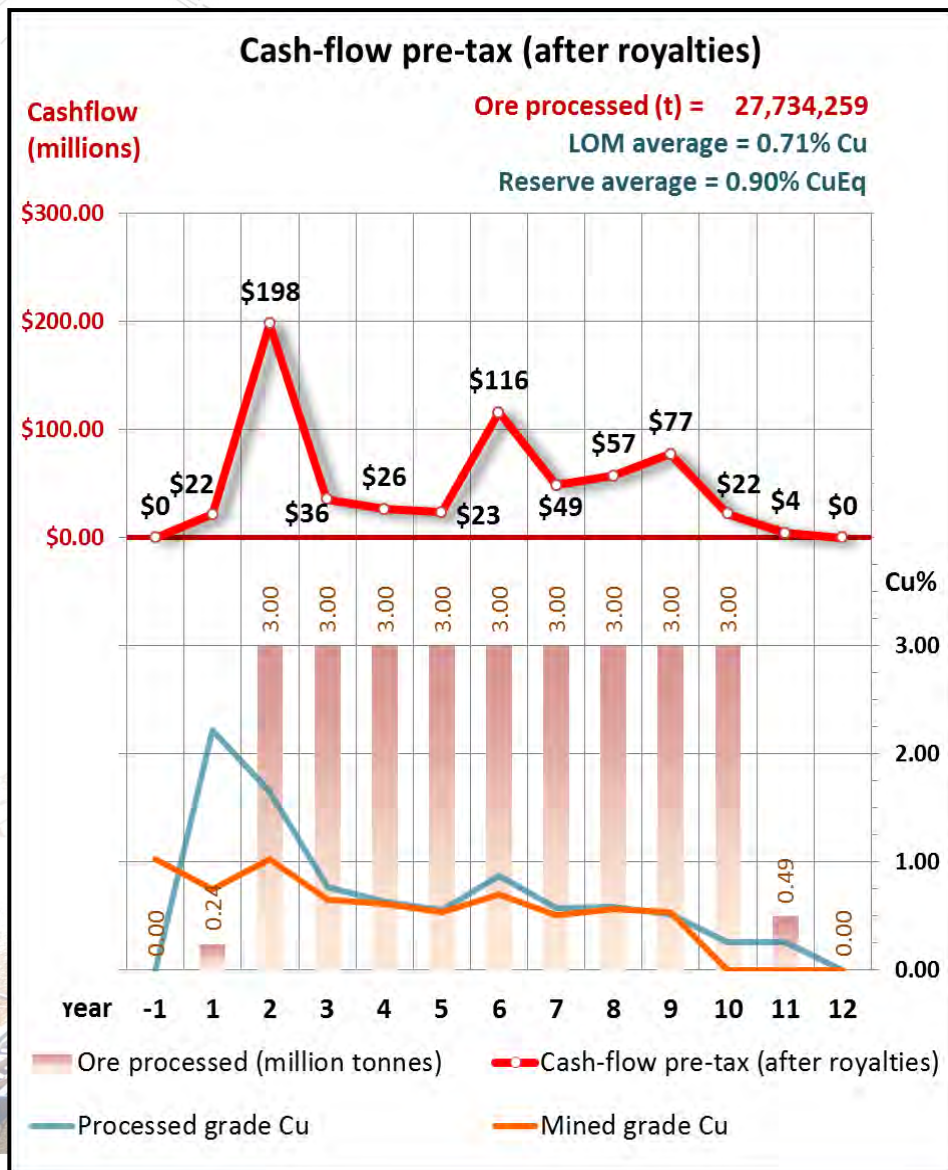
Purpose built process plant, capable of processing all ore types concurrently

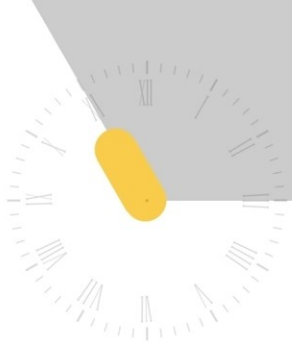
Majority of revenue from copper/gold - AUD copper/gold price strong

- High recoveries; native copper 95%; primary sulphides (cpy) 95%; chalcocite 90%
- Processing upside - potential to increase throughput with minimal additional spend



Feasibility Study





Mineralisation

Oxide ore

relatively small zones (water table just 10m from surface)

Supergene ore

high-grade supergene enrichment from near surface to depths of 140m, including chalcocite and bonanza-grade coarse native copper that persists through oxide, supergene and primary ore types

Primary ore

coarse patchy to massive primary copper mineralisation dominated by chalcopyrite (commences just 12m from surface)

Mineralisation remains open at depth...

Mineralisation is dominated by dilational brecciated shear zones within metamorphosed meso-Proterozoic age volcano-sedimentary rocks and intrusive dolerites of the Eastern Fold Belt of the Mt Isa Inlier. Structures hosting mineralisation are sub-parallel, east-southeast striking and steeply dipping. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) style deposits. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile and fresh rock.

Resources and Reserves

Ore Reserves:

28Mt @ 0.90% CuEq

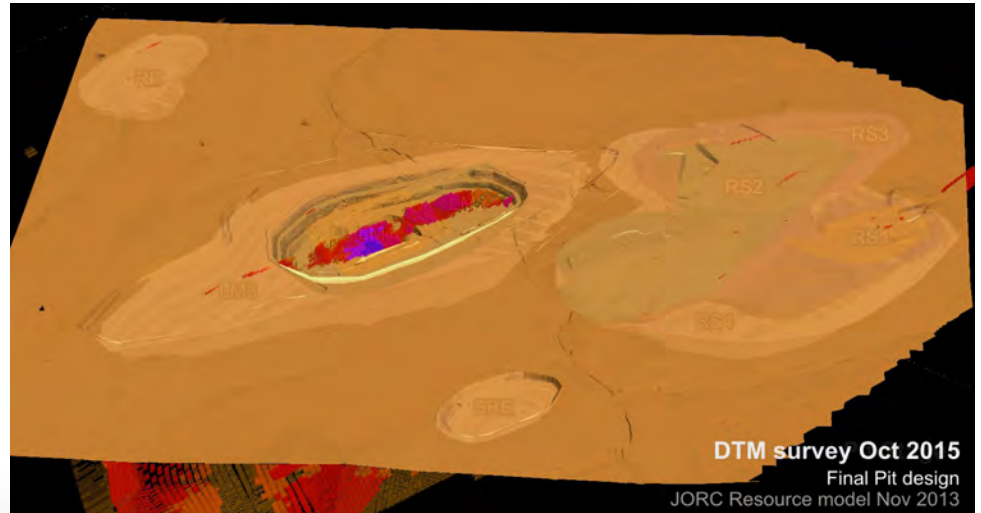
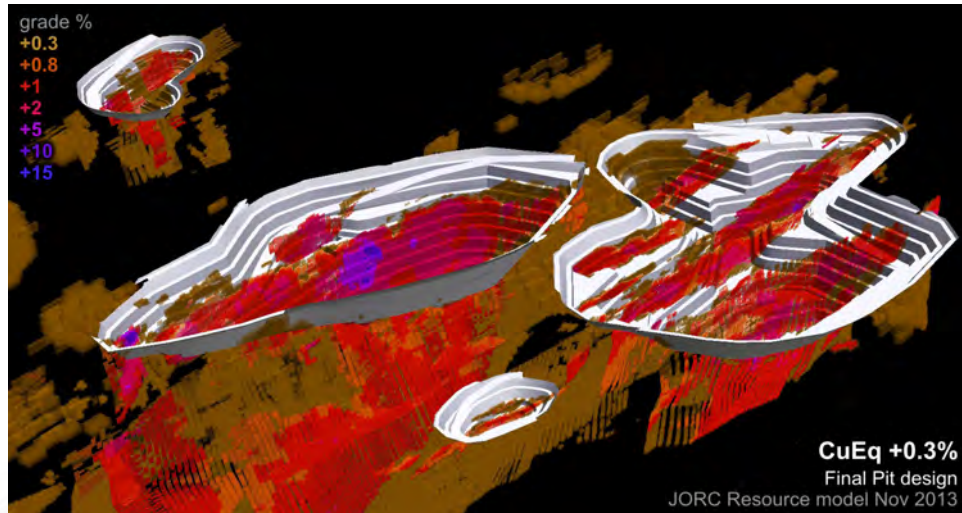
(Cu=0.71%, Co=357ppm, Au=0.14g/t, magnetite=6.7%)

Measured and Indicated Resources:

(adjusted to reserve based metals pricing and recoveries)

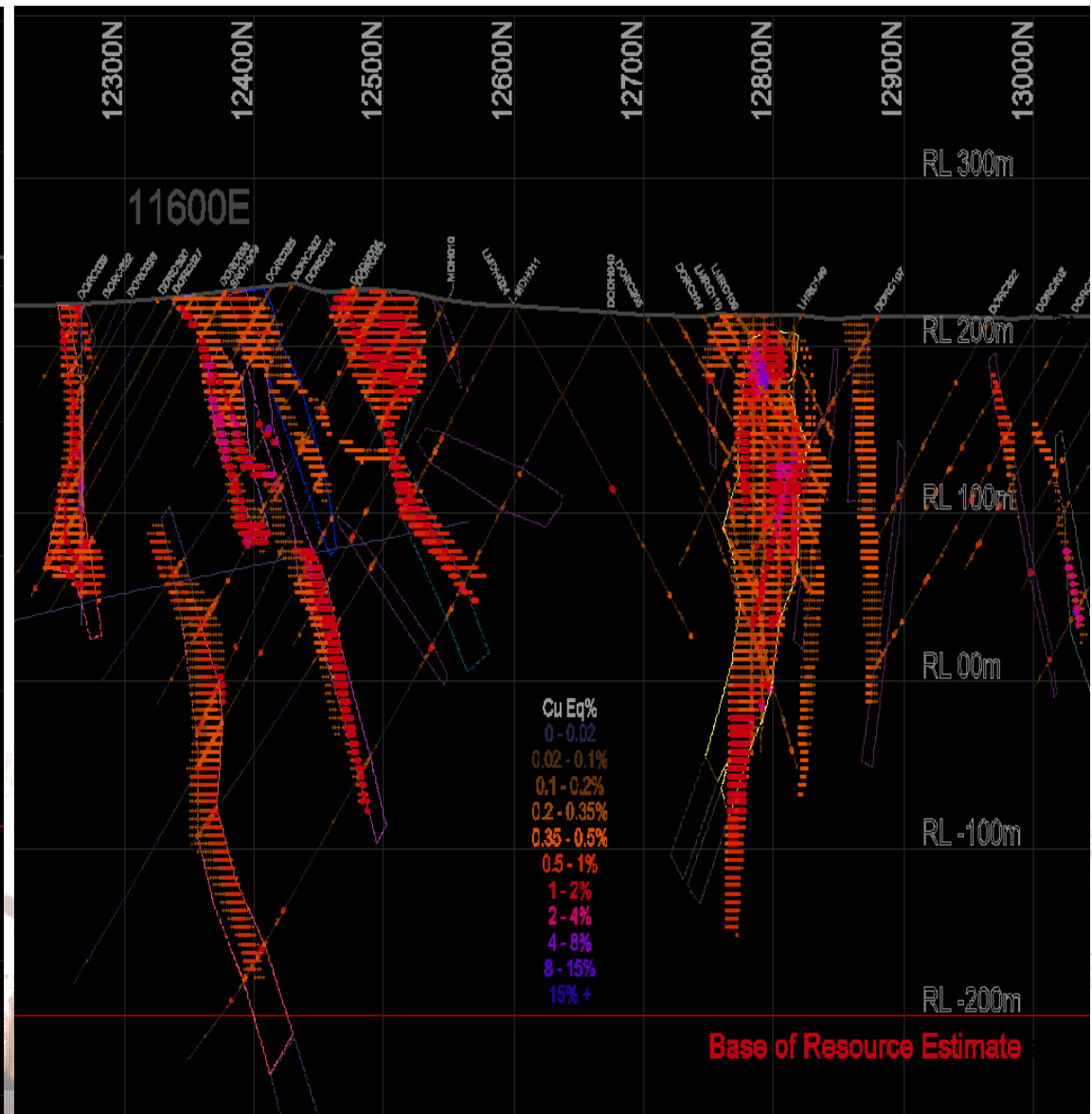
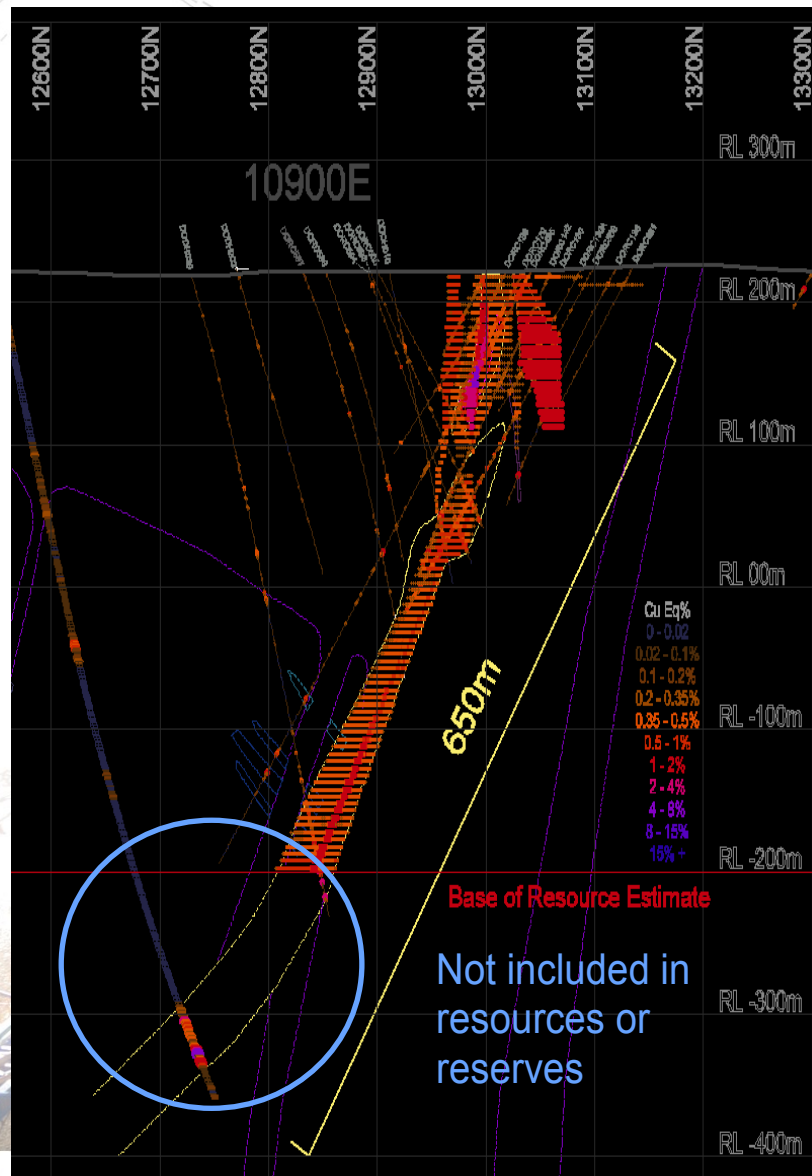
56Mt @ 0.95% CuEq

(0.64%Cu, 295ppm Co, 0.15g/t Au, 5.31% mag)



Left: final 10 year pits outline - considerable resources continue beyond the 10-year pit design. Right: Current pits as mined to end Oct 2015. See details on Resource and Reserves at end of this document.

Orebody Cross Sections



Process Plant

- Capable of concurrently processing numerous ore types at the rate of 3mtpa, including ore containing various native copper fraction sizes through a purpose built large-scale continuous native copper gravity jig.

Potential to act as central hub for processing of regionally sourced native copper ore

- Ore-types to be concurrently processed at the Rocklands Process Plant include:
 - **Native copper ore** (coarse, medium fine)
 - **Primary sulphide copper ore** (chalcopyrite)
 - **Secondary sulphide copper ore** (chalcocite)
 - **Oxide copper ore** (as a blend with other types)
 - **Primary sulphide cobalt ore** (pyrite)
 - **Gold in concentrate** (as a by-product)
 - **Magnetite associated with ore** (via magnetic separation)



Process Plant

Principal Structural, Mechanical and Piping (SMP) and Electrical & Instrumentation (E&I) Contractor



SINOSTEEL EQUIPMENT & ENGINEERING CO.,LTD.

Process Plant Design



Crusher Manufacturer



SMP and E&I Subcontractor



Gravity Jigs Manufacturer

allmineral

High Pressure Grinding Rolls
(HPGR) Manufacturer

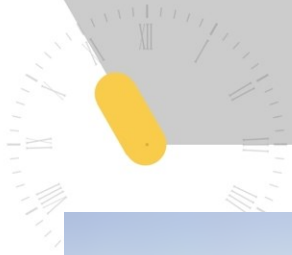


Power Station
Manufacturer



Ball Mill & Scrubber
Manufacturer





Process Plant





Metallurgy

- Extensive metallurgical test-work over 9 years (~\$7m spent)
- Plant configuration and processing regime with high recoveries and ability to concurrently process different ore types into 4 saleable products:

native copper concentrate (~95% Cu)

sulphide copper concentrate (~32% Cu)

cobalt-pyrite-sulphur concentrate (90% Py, 1% Co)

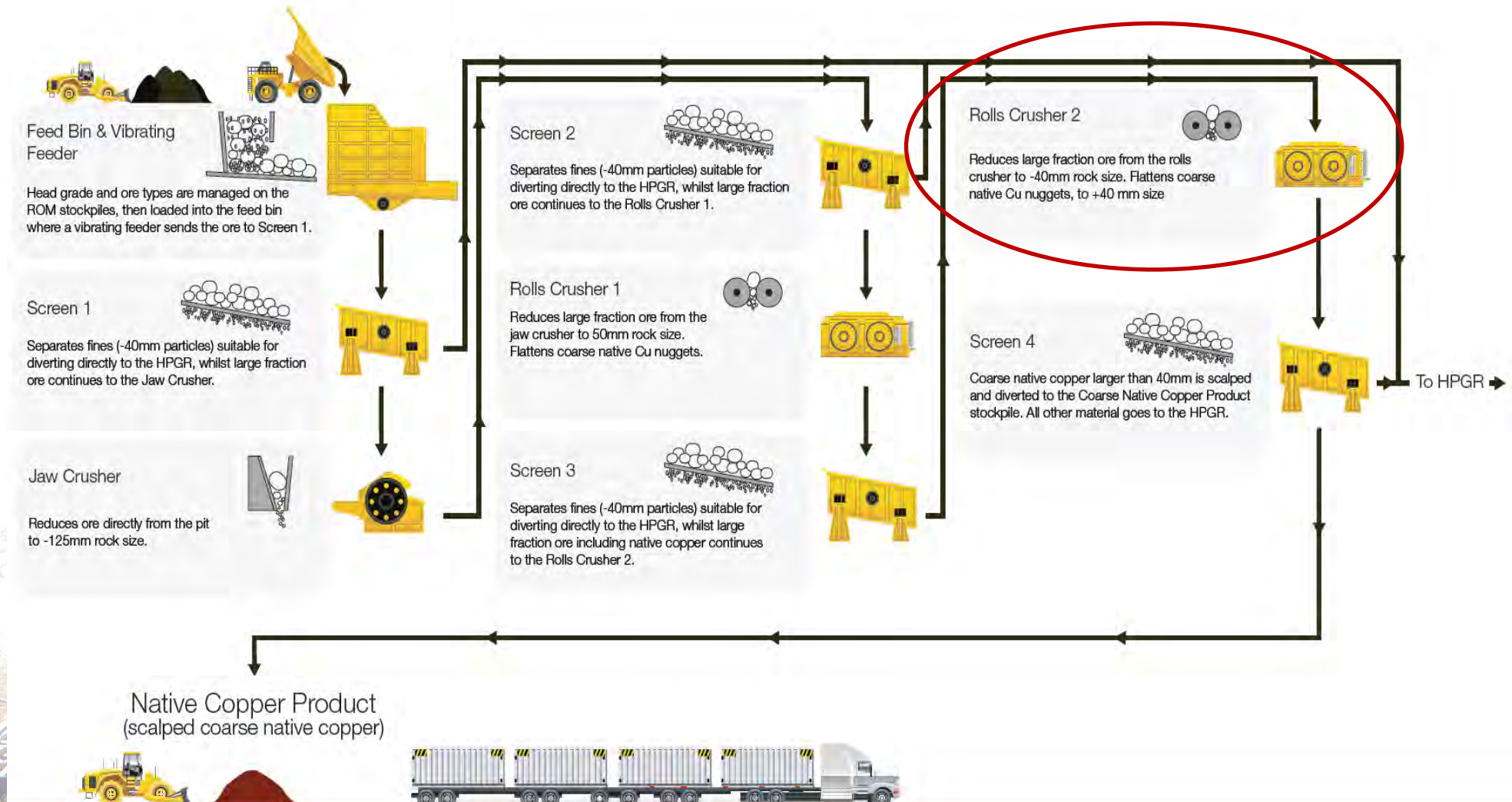
magnetite concentrate (95% mag)

gold & silver credits

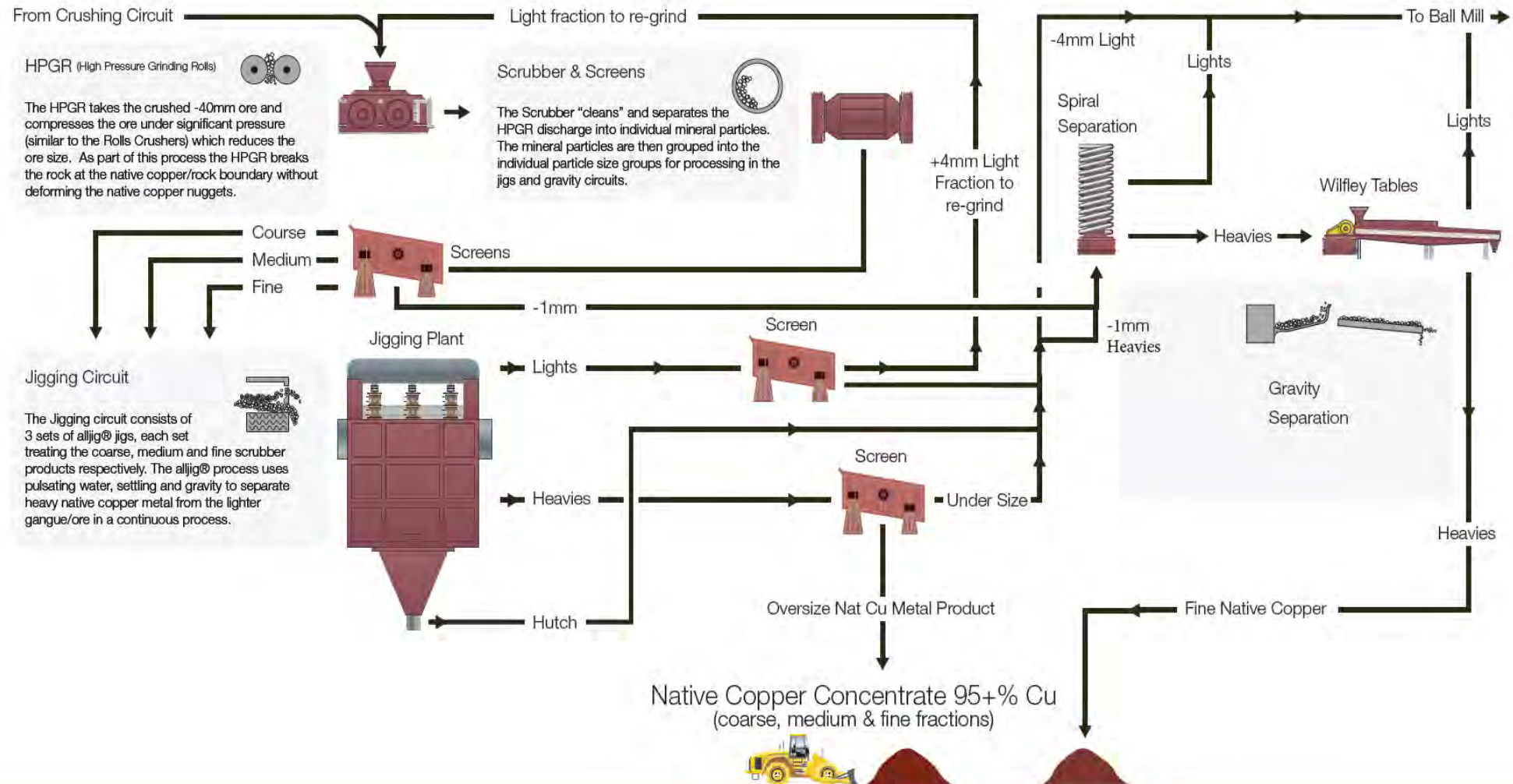


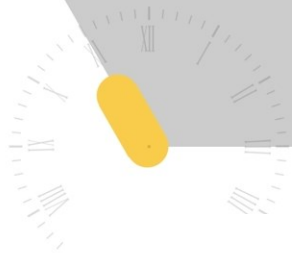
Process Flowsheet (crushing circuit)

Rolls Crusher 2 now replaced with cone crusher

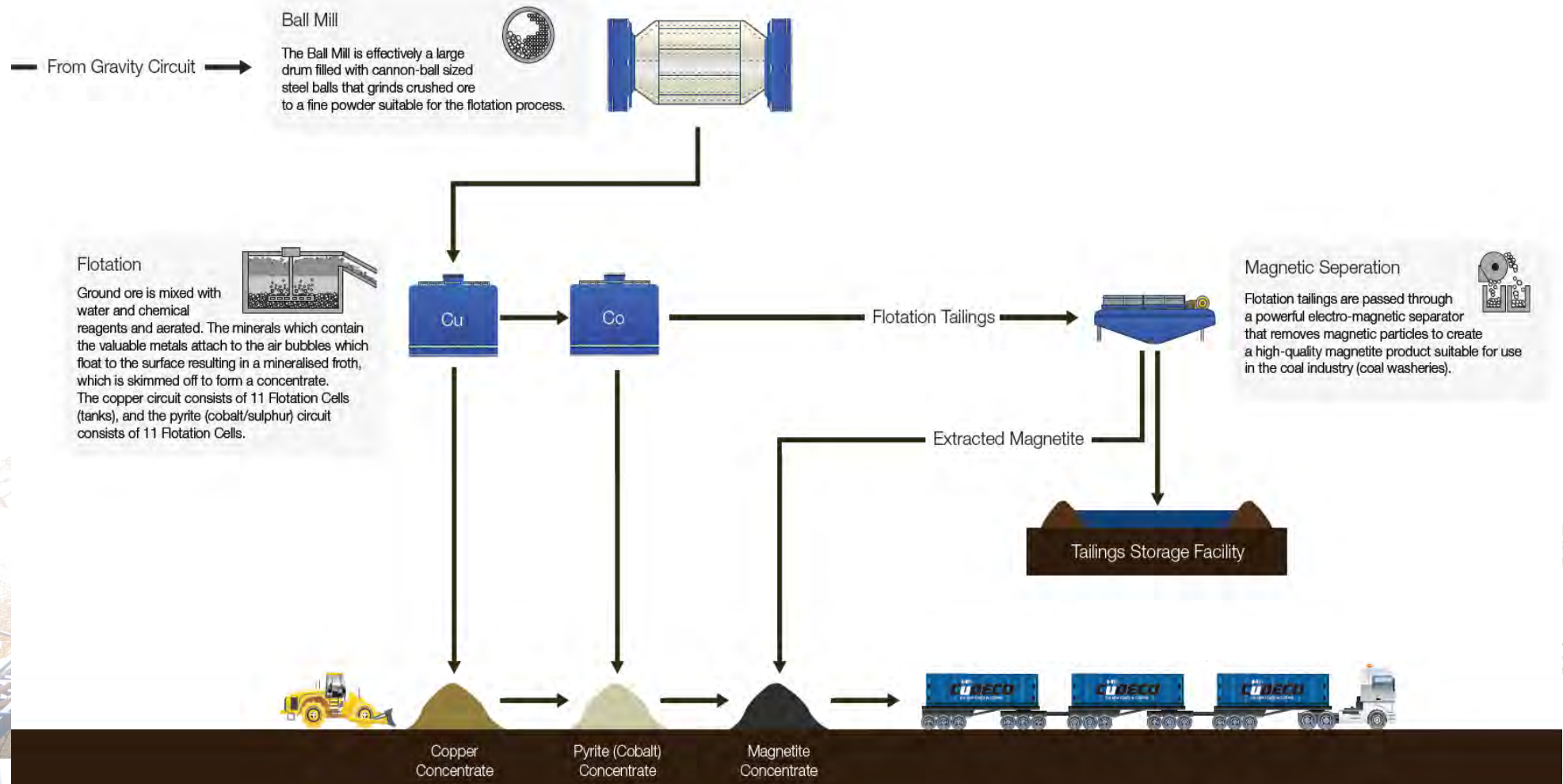


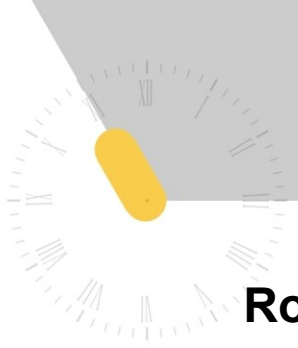
Process Flowsheet (gravity circuit)





Process Flowsheet (flotation circuit)





Production

Rocklands includes a 750 tonne per month copper metal casting plant

For melting and casting clean copper nuggets from Jig and Crushing circuits

- End product is a high grade 99.7% copper ingot
- Facilitates assaying of native copper product



CuDeco Owned Mining Fleet

- Company owns and operates a fleet of dump trucks and diggers, mostly purchased during the coal/iron ore downturn at discounted prices - brought up to mine specification where required in the Company's workshops
- Additional support equipment includes dozers, water trucks, graders, service trucks, drill and blast equipment and loaders
- Equipment is owned 100% by CuDeco
- Comparative “dry hire” leased fleet rates and/or contract mining rates being assessed and are proving attractive.

HITACHI
Hitachi Construction Machinery (Australia) Pty Ltd

KOMATSU



Mining

- Mining to date has concentrated on strip-back and waste; ~14Mt mined using own equipment and using CuDeco operators
- Ongoing QAQC and significant effort to improve blasting techniques - enhance ore control, improve pit-wall integrity, increase mining rates and improve crushing performance
 - Mining temporarily on hold
- Plans to recommence mining over coming months at rates up to 55,000 tonnes per day



Stockpiled Ore

Ore mined and currently stockpiled (inventory to end December 2015);

High-grade = 0.92Mt @ 1.69% Cu, 684ppm Co, 0.23g/t Au, 6.49% Mgt

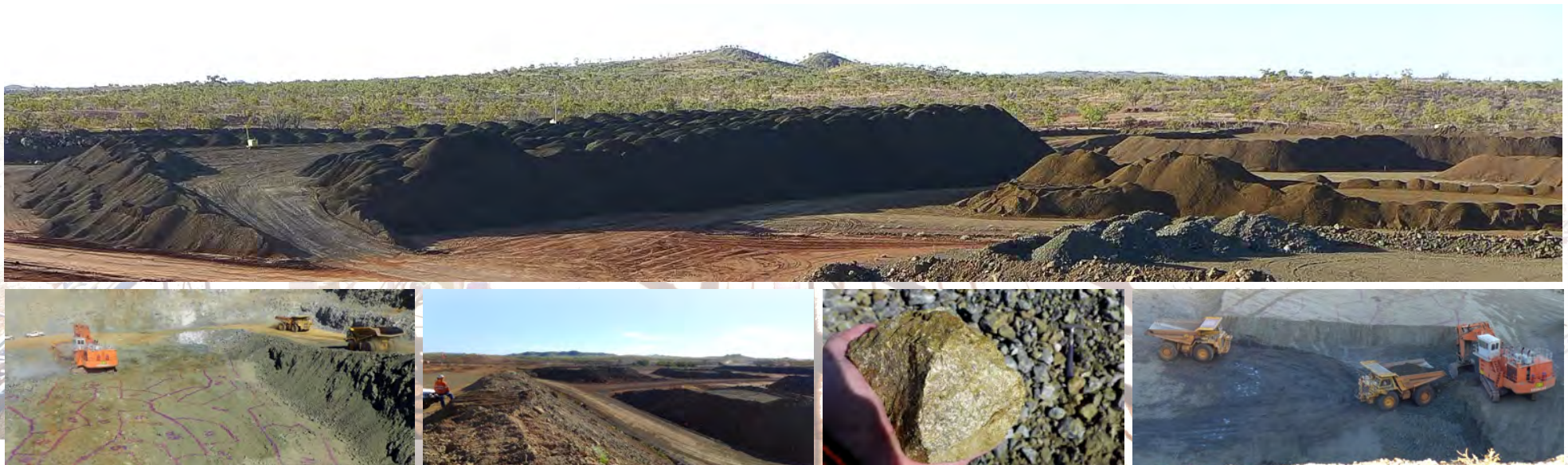
Low-grade = 0.86Mt @ 0.51% Cu, 449ppm Co, 0.10g/t Au, 6.2% Mgt

Total = 1.78Mt @ 1.30% Cu, 637ppm Co, 0.20g/t Au, 6.86% Mgt

Includes ~375,000 tonnes crushed native copper ore (-40mm) @ 2.25% Cu**

***Residual grade after removal of coarse native copper end-product*

Additional blend-grade ore = 0.67Mt @ 0.26% Cu

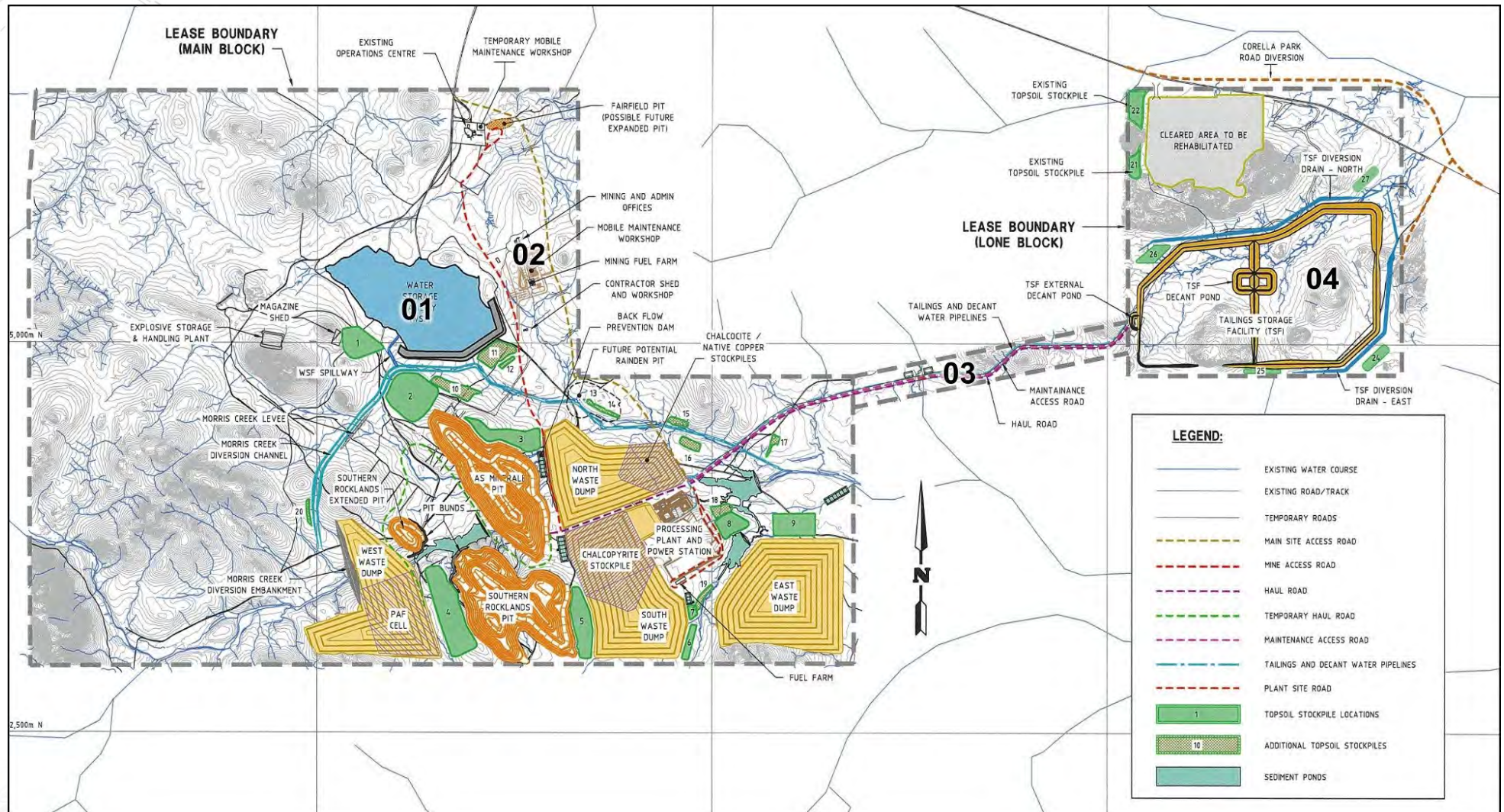


Site Development

- All statutory approvals granted including Mining Lease (30 years), Environmental Authority and Plan of Operations, Native Title and Landowner Agreements
- Major development earthworks completed using predominately own equipment;
 - Water storage facility
 - Tailings Storage facility
 - Morris Creek Diversion Channel
 - Morris Creek Dam and water storage
 - ROM
 - Haul and access roads

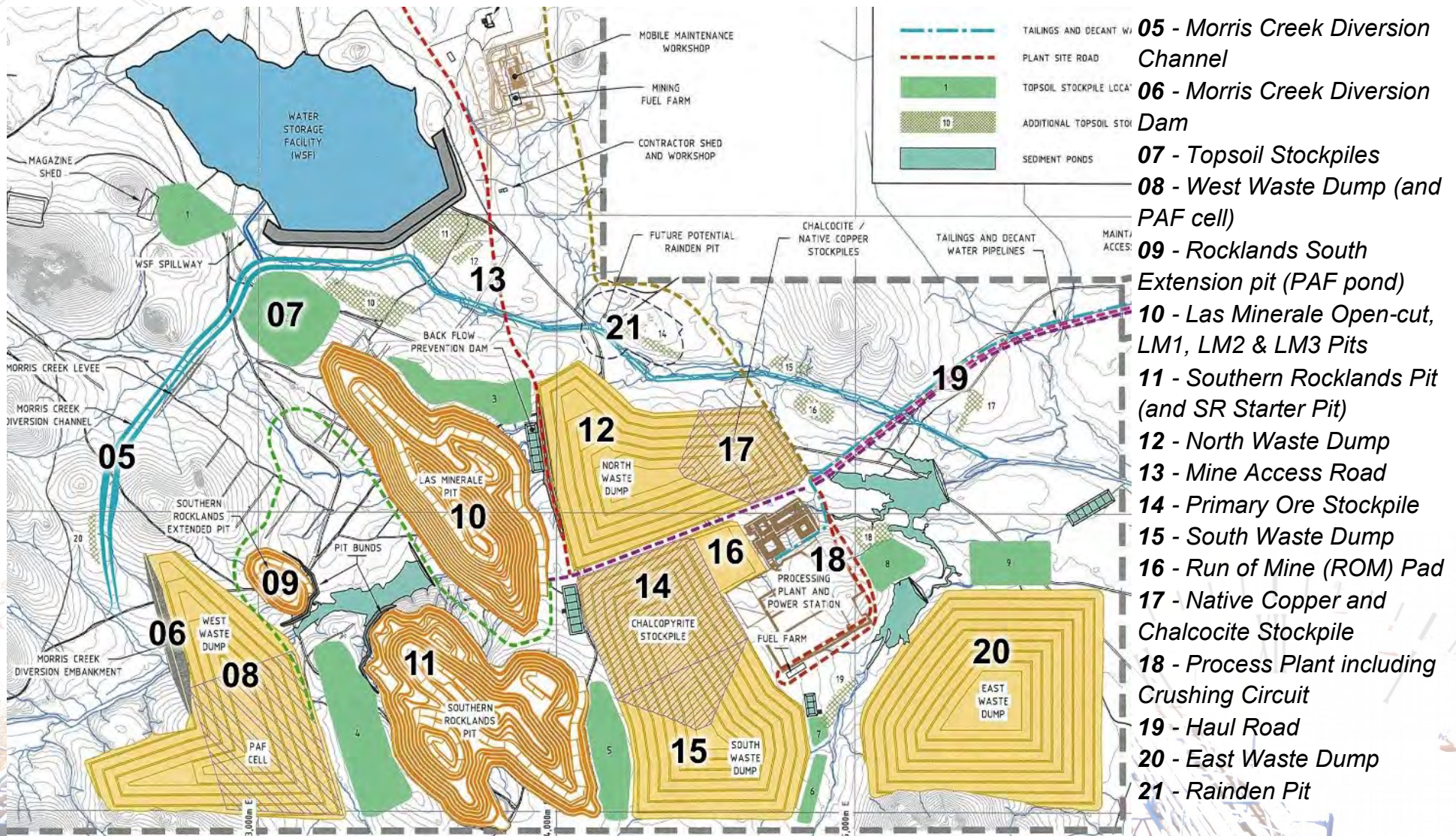


Site Development



01 - Water Storage Facility (WSF) 02 - Maintenance Workshop & Mining Office 03 - Infrastructure Corridor (Haul Road and Pipelines) 04 - Tailings Storage Facility (TSF)

Site Development



Mine to Port Logistics Solution & Fuel Supply

Logistics contract awarded to Townsville Bulk Storage and Handling (TBSH) - the largest private stevedoring company in North Queensland

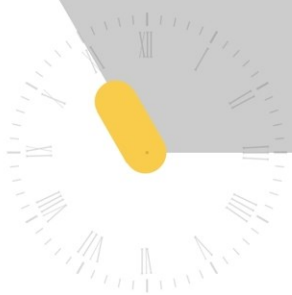
The entire Rocklands product logistics chain will be managed by TBSH and includes transport of up to 850,000 tonnes of Copper and Cobalt/Pyrite concentrates, over the first five years of production from the Rocklands mine site.

The agreement includes:

- Load & truck concentrate from Rocklands mine site to Townsville, in closed dust-proof containers;
- 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 rotainer technology.

TBSH also to supply and deliver up to 750,000 litres of diesel per week





Customers

Offtake and sales agreements in place

- Native copper = 100% of all copper output
 - Sulphide copper = 60% of all copper concentrate with China Oceanwide (option to move to 100%)
 - Gold (+/- silver) = 100% as by-product
 - Cobalt = 60% of all pyrite/cobalt concentrate with China Oceanwide (option to move to 100%)
-
- Magnetite = offtake from Rocklands gate (high-quality dense media product) in-principal offtake agreement - subject to final product specification



Additional Sales Option

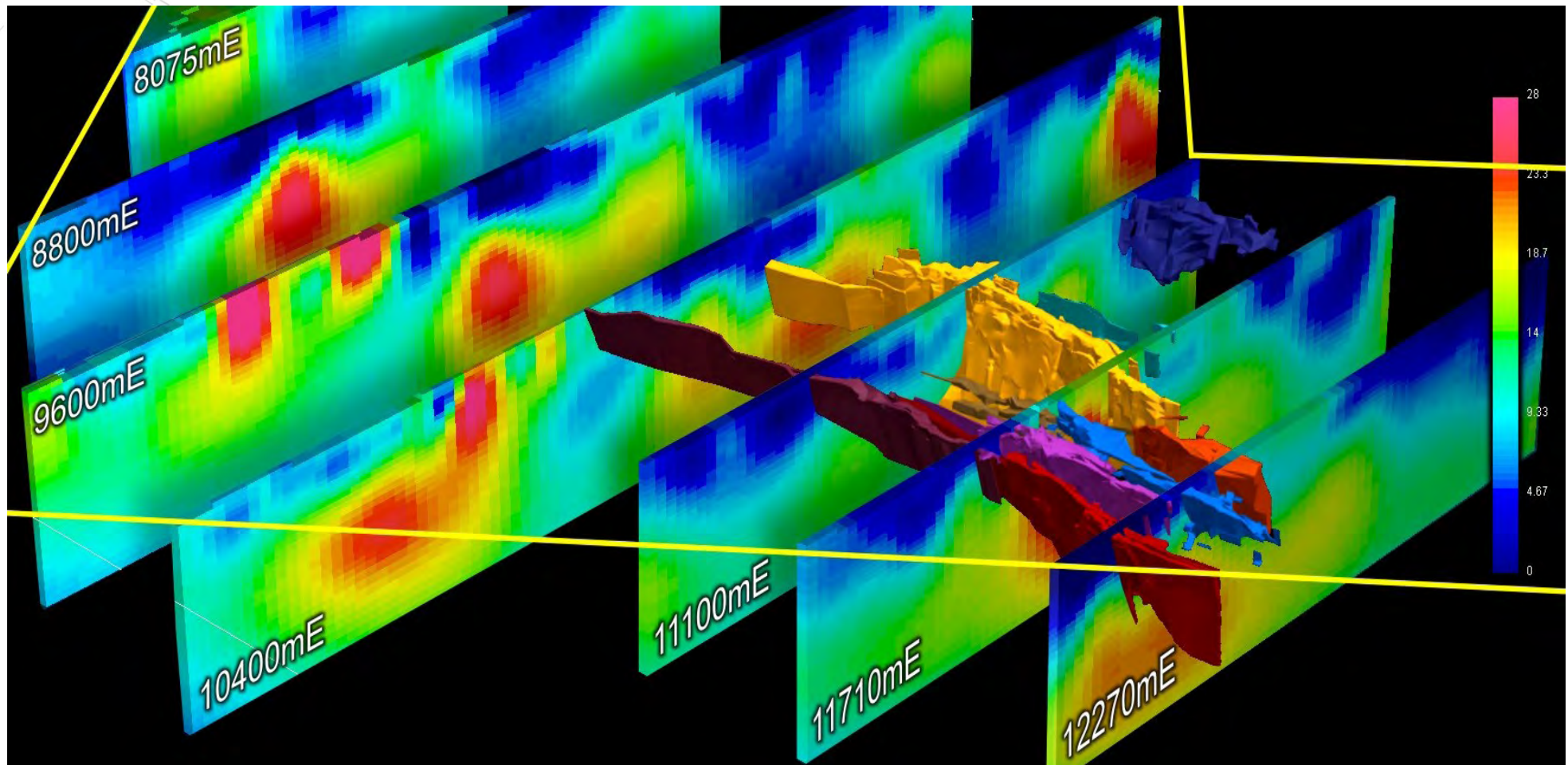


Coarse native copper product (+40mm) ranging in grade from 85-95% copper metal in concentrate, is produced from simple crushing and screening. This process removes oversize native copper nuggets prior to the ore entering the main Processing Plant. Trial smelting of this scalped product successfully produced a final product grade of 99.67% Cu.

Balance Sheet (to end March 2016)

| | March 2016 | June 2015 |
|--------------------------------------|----------------|----------------|
| Current Assets | | |
| Cash & Cash Equivalents | 617 | 3,574 |
| Current Receivables | 884 | 636 |
| Inventory | 5,001 | 5,001 |
| Total Current Assets | 6,502 | 9,211 |
| Non Current Assets | | |
| Inventory | 21,768 | 18,344 |
| Property, Plant & Equipment | 242,376 | 238,792 |
| Development Costs | 172,457 | 166,351 |
| Exploration and Evaluation Assets | 9,336 | 9,166 |
| Other Assets | 6,707 | 3,519 |
| Total Non Current Assets | 452,645 | 436,172 |
| Total Assets | 459,147 | 445,383 |
| Current Liabilities | | |
| Trade & Other Payables | 40,673 | 40,735 |
| Loans & Borrowings | 32,451 | 19,589 |
| Provisions | 809 | 1,375 |
| Total Current Liabilities | 73,934 | 61,699 |
| Non Current Liabilities | | |
| Loans & Borrowings | 52,236 | 58,766 |
| Provisions | 6,246 | 6,455 |
| Total Non Current Liabilities | 58,482 | 65,221 |
| Total Liabilities | 132,416 | 129,920 |
| Net Assets | 326,731 | 318,463 |
| Equity | | |
| Contributed Equity | 508,536 | 478,535 |
| Reserves | 59,704 | 58,779 |
| Accumulated Losses | (241,509) | (218,851) |
| Total Equity | 326,731 | 318,403 |

Exploration upside (significant targets identified)

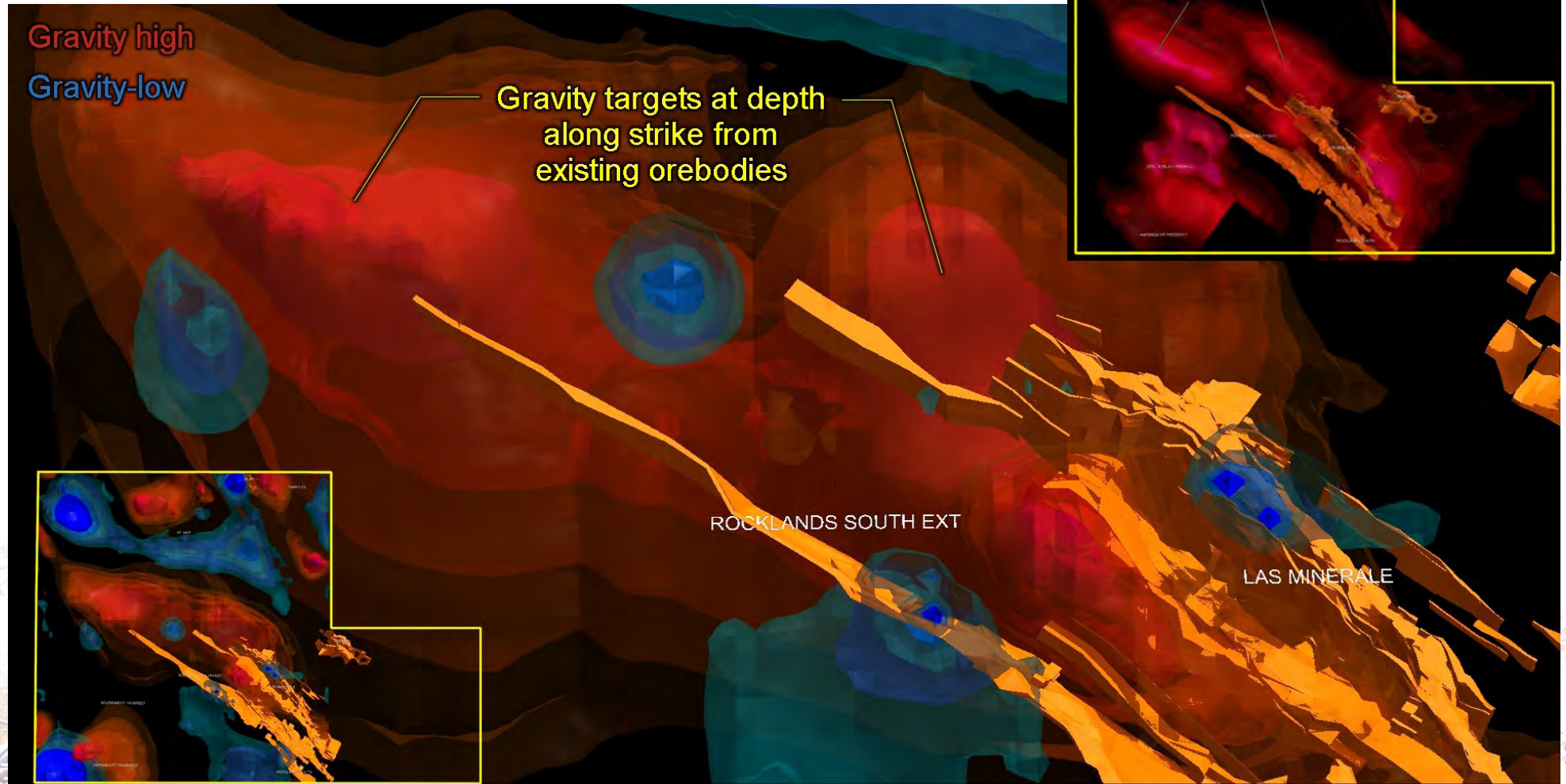


Induced Polarisation (IP) chargeability survey, sliced into sections, with approximate position of current resource model inset. Over 30 IP targets remain untested throughout the Rocklands EPM (including chargeability and conductivity anomalies), as well as additional Sub-Audio Magnetic (SAM), Radiometric, Gravity and geochem targets.



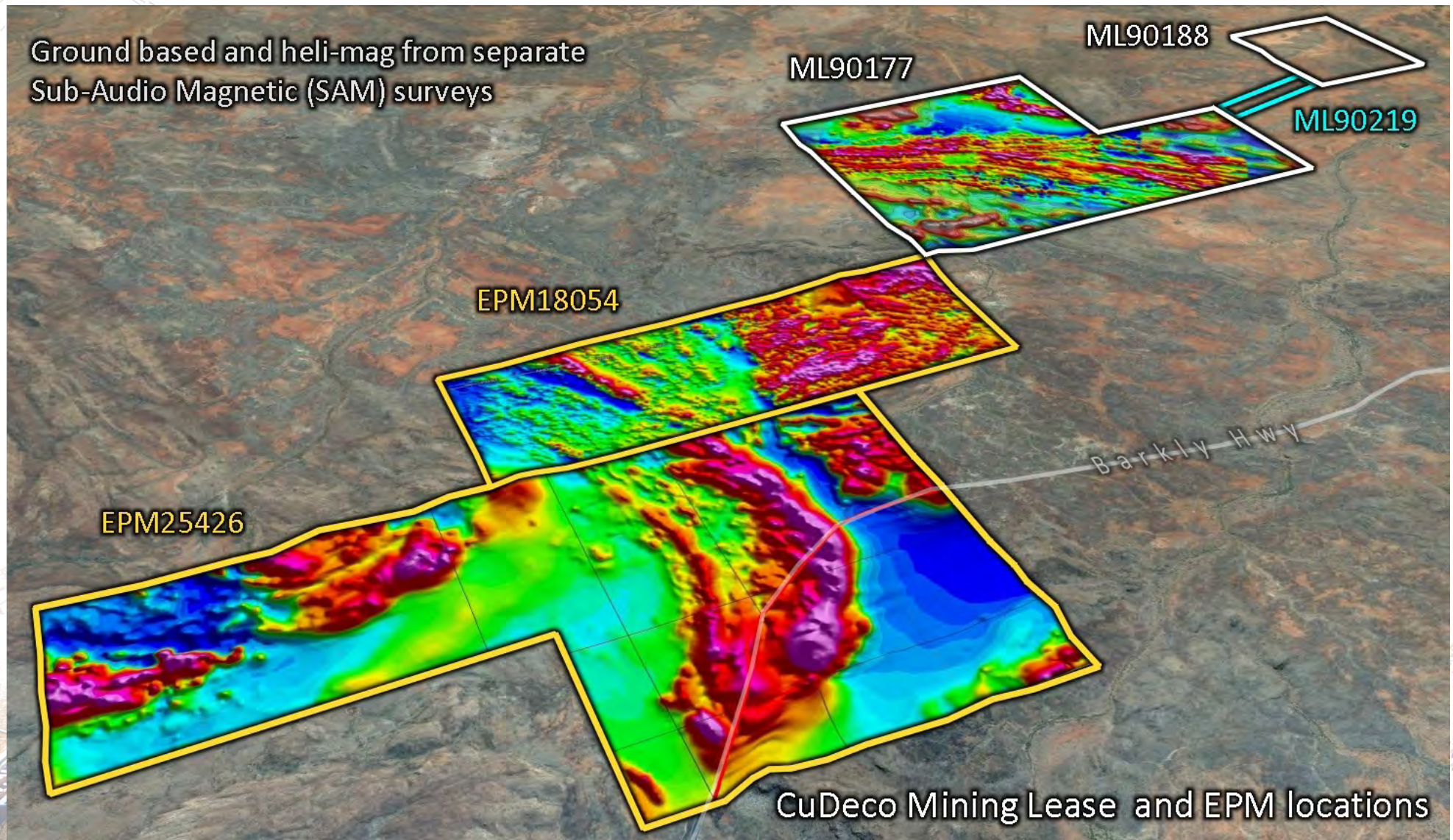
Exploration upside (significant targets identified)

Corresponding Gravity-high and Induced Polarisation (IP) Chargeability-highs

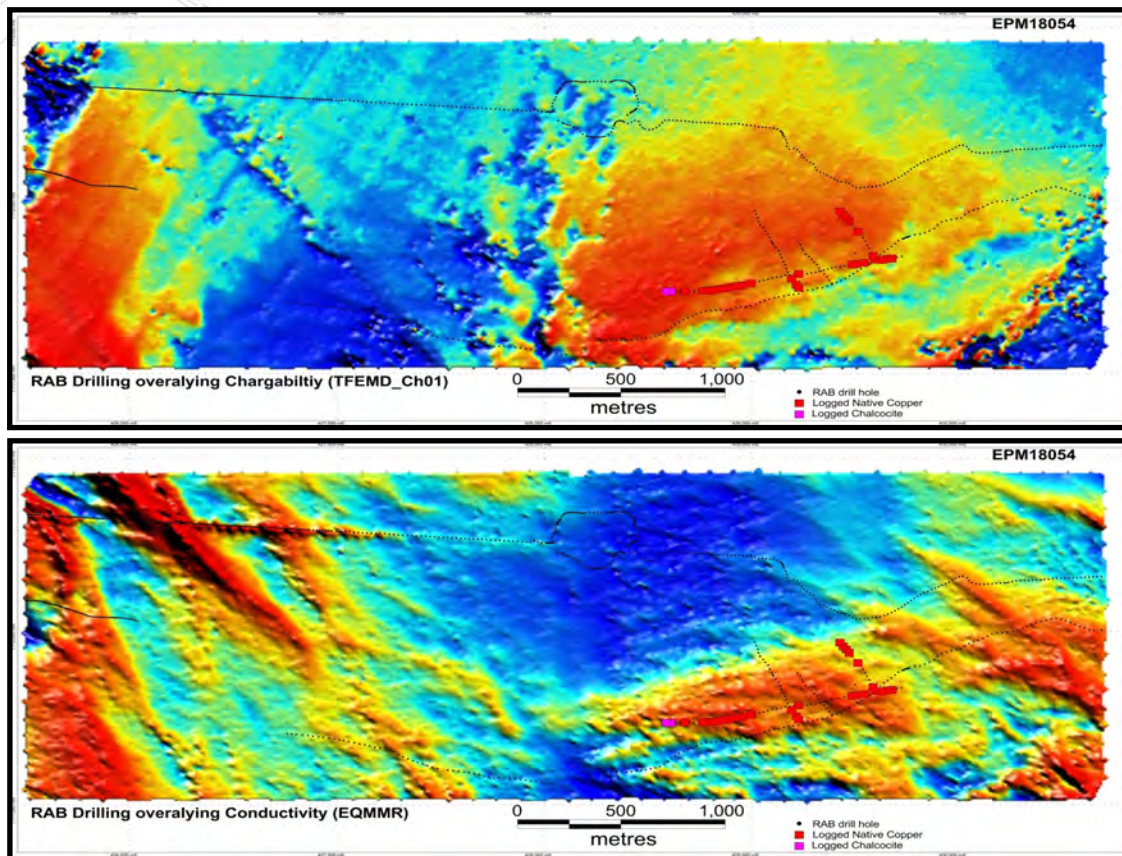


Gravity inversion model - identifies large, undrilled gravity-high targets along strike from known orebodies

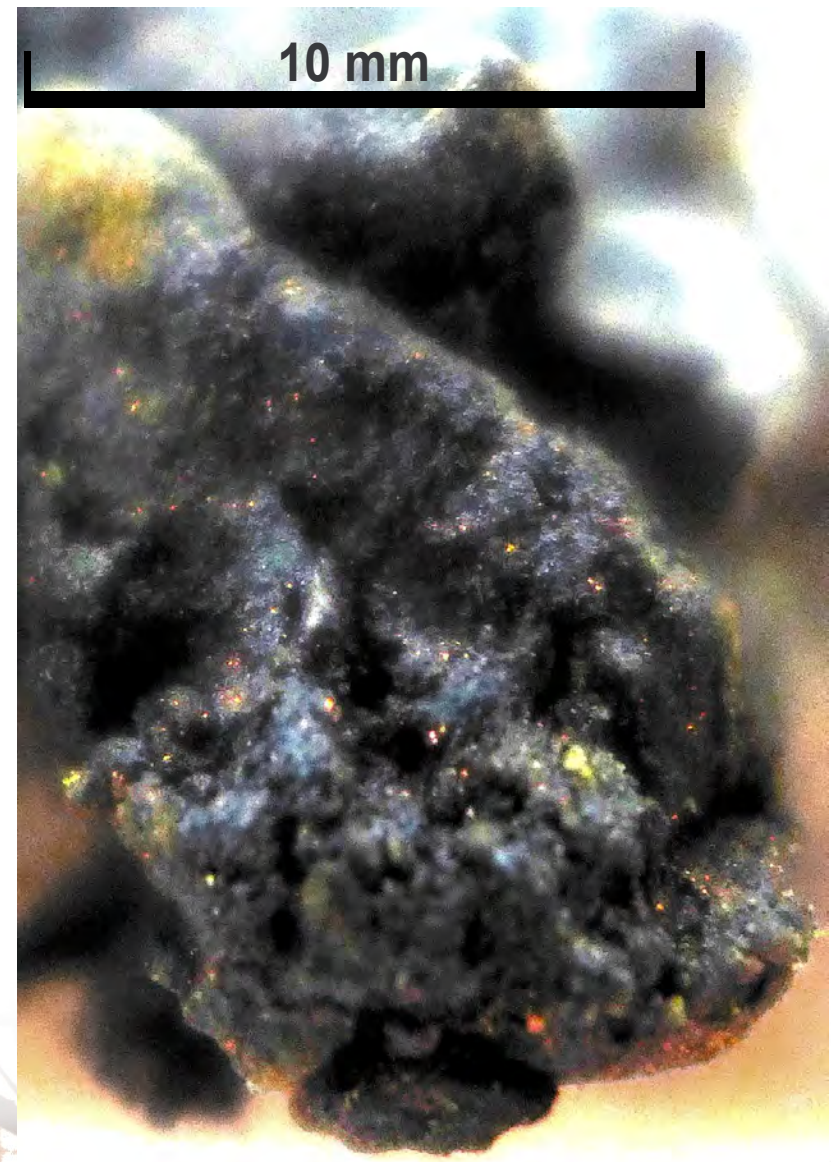
Exploration upside (significant targets identified)



Exploration upside (significant targets identified)



EPM18054: SAM geophysics (top image shows chargeability survey - short-time CH1 and bottom image shows EQMMR - conductivity) with completed RAB drilling along existing roads and the first of several planned priority target areas to be tested. Observed fine-grain native copper (and rare chalcocite) appears to correlate well with the target area, however the exploration programme is ongoing and results should be seen as preliminary only. Grades are not expected to be high based on geological logging to date. Right image shows close-up image of native copper and possible chalcocite in highly-weathered rock matrix (tending to clay).



Competent Person Statement - Resources 2016

| Resource category | Assumed mining method | Cut-off grade ¹ CuCoAu ² % | Cu % | Tonnes Mt | Estimated Grade Cu % | Co ppm | Au ppm | Mag % | Copper Equivalents CuCoAu ² % | CuEq ³ % | Contained Metal Cu Mlb | CuCoAu ² Mlb | CuEq ³ Mlb |
|-------------------|-------------------------------------------------|-----------------------------------------------------|------|--------------|-------------------------|------------|-------------|-------------|---------------------------------------------|---------------------|---------------------------|-------------------------|-----------------------|
| Measured | Open pit | 0.2 | 0.1 | 38.4 | 0.64 | 309 | 0.14 | 5.8 | 0.9 | 1.0 | 544 | 729 | 814 |
| | Underground | 0.6 | 0.1 | 1.3 | 1.36 | 366 | 0.22 | 2.0 | 1.6 | 1.7 | 39 | 47 | 48 |
| | Sub Total | | | 39.7 | 0.67 | 311 | 0.14 | 5.7 | 0.9 | 1.0 | 582 | 776 | 862 |
| Indicated | Open pit | 0.2 | 0.1 | 9.4 | 0.35 | 252 | 0.1 | 6.7 | 0.5 | 0.6 | 71 | 108 | 132 |
| | Underground | 0.6 | 0.1 | 7.0 | 0.92 | 257 | 0.23 | 1.2 | 1.1 | 1.2 | 142 | 178 | 181 |
| | Sub Total | | | 16.4 | 0.59 | 255 | 0.16 | 4.4 | 0.8 | 0.9 | 213 | 286 | 313 |
| | Open pit | 0.2 | 0.1 | 47.7 | 0.58 | 298 | 0.13 | 6.01 | 0.80 | 0.90 | 615 | 837 | 946 |
| | Underground | 0.6 | 0.1 | 8.3 | 0.99 | 274 | 0.23 | 1.29 | 1.23 | 1.25 | 180 | 224 | 228 |
| | Total Measured and Indicated | | | 56.0 | 0.64 | 295 | 0.15 | 5.31 | 0.86 | 0.95 | 796 | 1062 | 1175 |
| Inferred | Open pit | 0.2 | 0.1 | 0.2 | 0.36 | 203 | 0.14 | 4.9 | 0.5 | 0.6 | 2 | 3 | 3 |
| | Underground | 0.6 | 0.1 | 0.4 | 0.75 | 249 | 0.26 | 1.3 | 1.0 | 1.0 | 7 | 9 | 9 |
| | Sub Total | | | 0.6 | 0.60 | 232 | 0.21 | 2.7 | 0.8 | 0.9 | 8 | 11 | 12 |
| Total | Open pit | 0.2 | 0.1 | 48.0 | 0.58 | 298 | 0.13 | 6.0 | 0.8 | 0.9 | 617 | 840 | 950 |
| | Underground | 0.6 | 0.1 | 8.7 | 0.98 | 273 | 0.23 | 1.3 | 1.2 | 1.2 | 187 | 233 | 237 |
| | Total Measured, Indicated & Inferred | | | 56.7 | 0.64 | 294 | 0.15 | 5.3 | 0.9 | 1.0 | 804 | 1073 | 1187 |

For full details of resource statement, see ASX announcement 3 March 2016

The total mineral resource is based on the November 2013 Mineral Resource Estimate for Rocklands prepared by MA, restated using the surface levels as at 30 June 2015 and to allow for both open pit and underground mining, with copper equivalent calculations (CuEq and CuCoAu) changed to match updated commodity price forecasts as used for reserve definition. The mineral resource is reported inclusive of in situ ore reserves, but excludes mined material (stockpiles) and is presented in the table to the left:

This information is extracted from the report entitled "Executive Summary - Feasibility Study, Rocklands Group Copper Project, Queensland, Australia" created on 3 March 2016 and released to the ASX on the same date. The Report is also available to view on 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.

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

¹ Block grade has to meet both cut-off grade criteria to be reported (eg CuCoAu > 0.2 AND Cu > 0.1)

² Copper equivalent CuCoAu% = Cu % + Co ppm*0.000533 + Au ppm*0.431743

³ Copper equivalent CuEq% = Cu % + Co ppm *0.000533 + Au ppm *0.431743 + magnetite %*0.016711

| Resource category | Cut-off | Tonnes | Estimated Grade | Contained Metal |
|-------------------|---------|--------------|-----------------|-----------------|
| | Mag | | Mag | Magnetite |
| | % | Mt | % | Mt |
| Measured | 10 | 0.3 | 11.4 | 0.04 |
| Indicated | 10 | 0.1 | 19.6 | 0.02 |
| Inferred | 10 | 177.9 | 15.1 | 26.95 |
| Total | | 178.3 | 15.1 | 27.0 |

Competent Person Statement - Ore Reserves

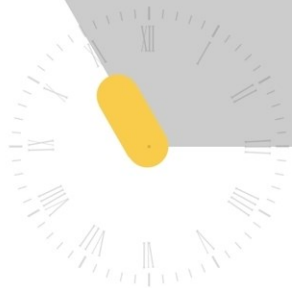
Table 1 Rocklands Group Copper Project Ore Reserves

| Reserve Category | Ore Type | Million Tonnes | % Copper | ppm Cobalt | g/t Gold | % Magnetite | % Spec_CuEq |
|---------------------|--------------|----------------|-------------|------------|-------------|-------------|-------------|
| Proved | OX | 1.1 | 0.89 | 305 | 0.16 | 3.1 | 0.76 |
| | NC_OX | 0.3 | 1.65 | 736 | 0.23 | 1.9 | 1.55 |
| | NC_CC | 1.8 | 1.81 | 766 | 0.24 | 2.6 | 1.88 |
| | NC_CPY | 2.0 | 0.93 | 617 | 0.15 | 3.8 | 1.16 |
| | CC | 0.3 | 0.82 | 311 | 0.18 | 3.5 | 0.91 |
| | CPY | 13.8 | 0.72 | 343 | 0.15 | 9.9 | 1.00 |
| | BG | 3.7 | 0.26 | 213 | 0.07 | 2.2 | 0.29 |
| | Total | 23 | 0.77 | 382 | 0.15 | 7.1 | 0.97 |
| Probable | OX | 0.02 | 0.58 | 404 | 0.06 | 3.7 | 0.52 |
| | NC_OX | 0.1 | 1.09 | 316 | 0.15 | 1.5 | 1.01 |
| | NC_CC | 0.4 | 0.78 | 313 | 0.10 | 2.7 | 0.84 |
| | NC_CPY | 0.5 | 0.66 | 267 | 0.11 | 2.9 | 0.74 |
| | CC | 0.1 | 0.47 | 266 | 0.11 | 2.8 | 0.53 |
| | CPY | 2.7 | 0.40 | 221 | 0.13 | 7.0 | 0.61 |
| | BG | 0.9 | 0.26 | 199 | 0.05 | 2.0 | 0.29 |
| | Total | 5 | 0.45 | 232 | 0.11 | 5.0 | 0.58 |
| Proved and Probable | OX | 1.1 | 0.88 | 307 | 0.16 | 3.1 | 0.75 |
| | NC_OX | 0.3 | 1.55 | 664 | 0.21 | 1.9 | 1.46 |
| | NC_CC | 2.2 | 1.61 | 678 | 0.21 | 2.6 | 1.67 |
| | NC_CPY | 2.5 | 0.88 | 548 | 0.14 | 3.6 | 1.08 |
| | CC | 0.4 | 0.75 | 302 | 0.17 | 3.4 | 0.83 |
| | CPY | 16.5 | 0.67 | 323 | 0.15 | 9.4 | 0.94 |
| | BG | 4.6 | 0.26 | 210 | 0.06 | 2.2 | 0.29 |
| | Total | 28 | 0.71 | 357 | 0.14 | 6.7 | 0.90 |

For full details of reserve statement, see ASX announcement 11th December 2015

"The information in this release that relates to Ore Reserves is based on information compiled by Mr John Wyche, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wyche is employed by Australian Mine Design and Development Pty Ltd. Mr Wyche has sufficient experience which is relevant to the style of mineralisation, type of deposit and method of mining under consideration and to the activity which he is undertaking 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'. Mr Wyche consents to the inclusion in this release of the matters based on his information in the form and context in which it appears."

Feasibility Study



| | Forex & Commodity pricing | | | | | | | | | | | Weighted LOM average |
|-------------------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------------------------|
| | Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| Forex (AUD/US) | AUD/USD | 0.715 | 0.720 | 0.720 | 0.714 | 0.711 | 0.710 | 0.706 | 0.702 | 0.699 | 0.695 | 0.711 |
| Cu/lb | US\$ | \$2.19 | \$2.30 | \$2.46 | \$2.42 | \$2.52 | \$2.79 | \$2.84 | \$2.90 | \$2.95 | \$3.01 | \$2.63 |
| Co/lb | US\$ | \$11.90 | \$12.22 | \$14.05 | \$14.66 | \$14.71 | \$14.98 | \$15.27 | \$15.52 | \$15.79 | \$16.01 | \$14.60 |
| S/te | US\$ | \$115.00 | \$117.91 | \$126.82 | \$132.33 | \$132.82 | \$135.28 | \$137.92 | \$140.10 | \$142.57 | \$144.57 | \$132.78 |
| Au/oz | US\$ | \$1,138 | \$1,138 | \$1,066 | \$1,058 | \$1,049 | \$1,041 | \$1,033 | \$1,024 | \$1,016 | \$1,008 | \$1,054 |
| DMS Mag/te | A\$ | \$45.00 | \$45.99 | \$49.06 | \$51.19 | \$53.46 | \$55.78 | \$58.25 | \$60.82 | \$63.44 | \$66.25 | \$54.29 |
| Ag/oz | US\$ | \$14.50 | \$14.61 | \$14.42 | \$14.64 | \$14.86 | \$15.10 | \$15.30 | \$15.50 | \$15.80 | \$16.00 | \$14.98 |
| Diesel (less DFR)per lt | A\$ | \$0.67 | \$0.60 | \$0.83 | \$0.87 | \$0.91 | \$0.95 | \$1.00 | \$1.05 | \$1.10 | \$1.15 | \$0.91 |



Competent Person Statement

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 Cudoco 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.

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.

New information

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.