Replacement Prospectus

CuDeco Limited ACN 000 317 251 (**Company**)

This is a Replacement Prospectus dated 8 April 2016 which replaces the Original Prospectus dated 5 February 2016 in relation to the non-renounceable rights issue to Eligible Shareholders of one (1) New Share for every four (4) Shares held at an issue price of $0.80 per New Share to raise approximately $63.1 million before expenses

This document is important and it should be read in its entirety

This Offer is fully underwritten by Paradigm Securities and sub-underwritten by China Oceanwide International Investment Co., Limited, Rich Lead Investment Pte Limited, New Apex Asia Investment Limited and AM Capital Limited

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5 pm (Perth time) on the Closing Date. Please refer to the timetable set out in this Replacement Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial adviser or accountant as soon as possible. The securities offered by this Replacement Prospectus are considered to be speculative.

This Replacement Prospectus has also been issued to facilitate the secondary trading of the Placement Shares so as to enable the Placement Shares to be on-sold in Australia without trading restrictions, pursuant to section 708A(11) of the Corporations Act.

Offer Statistics

Number of Shares on issue prior to the Offer	315,422,559
Number of New Shares to be issued	78,855,640
Offer Price:	$0.80

Timetable for important dates

Lodgement of Replacement Prospectus with ASIC	Friday 8 April 2016
Notice to Shareholders containing Appendix 3B information	Tuesday 12 April 2016
Existing shares quoted on an ex rights basis	Wednesday 13 April 2016
Record Date for the Offer (5 pm Perth time)	Friday 15 April 2016
Replacement Prospectus and Entitlement and Acceptance Form despatched to Shareholders and despatch announced to ASX	Wednesday 20 April 2016
Opening Date of Offer (9 am Perth time)	Wednesday 20 April 2016
Closing Date of Offer (5 pm Perth time)	Tuesday 3 May 2016
Advise ASX of any Shortfall	Friday 6 May 2016
Trading Halt lifted – Ordinary shares recommence trading	Friday 6 May 2016
Allotment of New Shares	Tuesday 10 May 2016
Commencement of trading of New Shares on ASX	Wednesday 11 May 2016
Expected date of despatch of holding statements for New Shares	Thursday 12 May 2016
Final date for placement of any Shortfall (3 months following Closing Date)	Wednesday 3 August 2016

These dates are indicative only and subject to change without notice. The Company may extend the period of the Offer or bring forward the Closing Date at its discretion. This may have a consequential effect on the other dates.

Important notice

This Replacement Prospectus is dated 8 April 2016 and was lodged with ASIC on the same date. It replaces the Original Prospectus. Neither ASIC nor ASX takes any responsibility as to the contents of this Replacement Prospectus. No securities will be issued on the basis of this Replacement Prospectus any later than 13 months after the date of issue of this Replacement Prospectus.

This Replacement Prospectus contains an offer to Eligible Shareholders and has been prepared in accordance with Section 710 of the Corporations Act.

This Replacement Prospectus is also issued for the purposes of offering any Underwritten Securities to

the Underwriter, the Sub-Underwriters and any other investors identified by the Underwriter or the Company.

The information provided in this Replacement Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should seek professional advice before deciding to invest. An investment in New Shares that are offered under this Replacement Prospectus should be considered speculative.

Please refer to sections 1.13 and 8 for details relating to risks involved with an investment in the Company.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Forward Looking Statements

Some of the information contained in this Replacement Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Replacement Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Replacement Prospectus.

Competent Person Statement

Exploration Results:

The information that is in section 3 of this Replacement Prospectus 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 this Replacement Prospectus of the matters based on his information in the form and context in which it appears in section 3.

Resources and Ore Reserves:

The information that is in section 3 of this Replacement Prospectus that relates to Resources is extracted from the report entitled "Rocklands Resource Update 2013" created on 29 November 2013 contained in Appendix B to this Replacement Prospectus as updated by the Feasibility Study, an executive summary of which was announced by the Company on 3 March 2016 and an extract of which is contained in Appendix D to this Replacement Prospectus.

The information that is in section 3 of this Replacement Prospectus that relates to Ore Reserves is extracted from the report entitled "Ore Reserves Statement – Rocklands Group Copper Project" released on 11 December 2015 and is set out in Appendix C to this Replacement Prospectus.

The Company confirms that it is not aware of any new information or data that materially affect the information included in these original market announcements and 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.

Foreign Shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Offer is made only to those Eligible Shareholders with registered addresses in Australia, New Zealand, Singapore, Hong Kong and the People's Republic of China (to the extent that such Shareholders are qualified domestic institutional investors) and only those Eligible Shareholders will be offered New Shares. All Shareholders must comply with their local laws and are responsible for determining whether any laws may restrict them from participating in the Offer. If you are so restricted and come into possession of this Replacement Prospectus you should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws. If you are in doubt about your eligibility to participate in the Offer you should obtain independent professional advice.

New Zealand

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013 (NZ)*, by virtue of which this Replacement Prospectus is not required to be registered in New Zealand.

Singapore

WARNING: The contents of this document and any other materials relating to the Offer have not been reviewed by any Singaporean regulatory authority. You are therefore advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document or whether you are eligible to participate in the Offer, you should obtain independent professional advice.

This document and any other materials relating to the Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the Offer may not be issued, circulated or distributed, nor may any Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of Shares in the Company. In the event that you are not an existing holder of Shares in the Company, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, or whether you are eligible to participate in the Offer, you should obtain independent professional advice.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong

Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the People's Republic of China to legal or natural persons other than directly to "qualified domestic institutional investors".

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act of 1933 and applicable US state securities laws.

Other Countries

The Company has not investigated the regulatory requirements that may prevail in any country in which the Company's Shareholders may reside outside of Australia, New Zealand, Singapore, Hong Kong and China. The distribution of this Replacement Prospectus in jurisdictions outside Australia, New Zealand, Singapore (including to persons who are not exempt under Subdivision 4, Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore), Hong Kong, and China (as well as to persons in the People's Republic of China who are not qualified domestic institutional investors) may be restricted by law and persons who come into possession of this Replacement Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws. If you are in doubt about your eligibility to participate in the Offer you should obtain independent professional advice.

See section 2.12 for further information on Offer restrictions with respect to Shareholders who do not have registered addresses in Australia.

Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Currency

Any references to $ or dollar in this Replacement Prospectus is to Australian dollars unless otherwise indicated in this Replacement Prospectus.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Replacement Prospectus or making payment of Acceptance Monies by BPAY® in accordance with the instructions set out in this Replacement Prospectus and on the Entitlement and Acceptance Form.

This Replacement Prospectus is available in electronic form on the Internet at www.cudeco.com.au. If you wish to obtain a free copy of this Replacement Prospectus, please contact the Company on +61 7 5503 1955.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement or apply for Additional Securities, please call the Share Registry on:

- 08 9389 8033 for callers within Australia; or
- +61 8 9389 8033 for overseas callers.

Deciding to Accept the Offer

No person named in this Replacement Prospectus, nor any other person, guarantees the performance of CuDeco, the repayment of capital or the payment of a return on the New Shares.

Please read this Replacement Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.13 and 8 of this Replacement Prospectus. This Replacement Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer.

TABLE OF CONTENTS

Chairman's letter

8 April 2016

Dear Shareholders,

It is my pleasure to introduce this Replacement Prospectus and invite you to take up your Entitlement of New Shares in CuDeco Limited (**Offer**).

The Offer is a non-renounceable rights issue of one (1) New Share for every four (4) Shares held at an issue price of $0.80 per New Share, to raise approximately $63.1 million (before Offer costs).

It is proposed that the funds raised from the Offer be used towards funding the completion of construction and commissioning of the Rocklands Group Copper Project, repaying existing short-term shareholder loans and providing working capital (including contingencies) for the business in order to see it through to production.

Under the Offer, as Eligible Shareholders you are entitled to subscribe for the number of New Shares (**Entitlement**) set out in your personalised Entitlement and Acceptance Form enclosed with this Replacement Prospectus. Eligible Shareholders are also entitled to apply for Additional Securities in excess of their entitlement.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Replacement Prospectus or making payment of Acceptance Monies by BPAY® in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer and any subsequent announcements by the Company.

The Company has engaged Australian-based Paradigm Securities as lead manager and underwriter for the Offer. China Oceanwide International Investment Co. Limited (**Oceanwide**), Rich Lead Investment Pte Limited (**Rich Lead**), New Apex Asia Investment Limited (**New Apex**) and Sinosteel Equipment and Engineering Co. Ltd (**Sinosteel**) have all confirmed to the Company that they will be taking up their full entitlements under the Offer. Furthermore, Oceanwide, Rich Lead and New Apex have been appointed by the Underwriter as Sub-Underwriters, together with AM Capital Limited, an independent party.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,

Dr Noel White
Independent Non-executive Chairman
CuDeco Limited

1. Investment overview

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Replacement Prospectus.

1.1 The Offer

This Replacement Prospectus is for the non-renounceable entitlement offer to issue up to 78,855,640 New Shares at an issue price of $0.80 per New Share, on the basis of one (1) New Share for every four (4) Shares held by Eligible Shareholders as at the Record Date of 5pm (Perth time) Friday 15 April 2016.

The Company has engaged Australian-based Paradigm Securities as lead manager and underwriter for the Offer. The Offer is fully underwritten by Paradigm Securities and the Sub-Underwriters.

There is no minimum subscription to the Offer.

The Company will apply to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation and trading of the New Shares is expected to occur on or about Wednesday 11 May 2016.

The Replacement Prospectus is also issued for the purposes of offering and issuing the Underwritten Securities to the Underwriter appointed by the Company, the Sub-Underwriters and any other investors identified by the Underwriter or the Company.

The Directors may at any time decide to withdraw this Replacement Prospectus and the offer of New Shares made under this Replacement Prospectus, in which case the Company will return all Acceptance Monies (without interest) within 28 days of giving notice of such withdrawal.

Further, pursuant to section 708A(11) of the Corporations Act, this Replacement Prospectus will also have the effect of providing an exemption from the secondary sale provisions in section 707 of the Corporations Act with respect to the Placement Shares issued without disclosure to investors prior to the date of this Replacement Prospectus (provided the conditions of section 708A(11) of the Corporations Act can be met). Further details with respect to this are set out in Section 9.7 of this Replacement Prospectus.

1.2 New Share terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in Section 9.6.

1.3 Acceptance of Entitlement to New Shares

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Replacement Prospectus. This Replacement Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded down to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Replacement Prospectus or making payment of Acceptance Monies by BPAY® in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

Acceptance Monies for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer and any subsequent announcements by the Company.

1.4 Applying for Additional Securities

Entitlements not taken up may become available as Additional Securities. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Offer Price (**Additional Securities**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest. The Company reserves the right to scale back any applications for Additional Securities in their absolute discretion.

The Directors also reserve the right to issue any New Shares not allocated under the Offer within 3 months following the Closing Date at a price not less than the Offer Price.

1.5 Non-Renounceable Offer

The Offer is non-renounceable and you are therefore not able to sell your Entitlements. Sections 2.4 and 2.5 will assist you to work out how to deal with your Entitlements.

Any Entitlements not taken up by the Closing Date will lapse in which case they may be dealt with as Additional Securities or otherwise form part of the Shortfall referred to in Section 2.6.

1.6 Directors Intentions in respect of Entitlements

As at the date of this Replacement Prospectus, some of the Directors of the Company have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares	Entitlement	Intentions
Dr Noel White	Nil	N/A	N/A
Mr Peter Hutchison	1,075,534[1]	268,883	To take up $10,000 of the Entitlement
Mr Paul Keran	81,666[2]	20,416	To take up full Entitlement
Mr Zhijun Ma	Nil	N/A	N/A
Mr Hongwei Liu	112,000[3]	28,000	To take up $12,000 of the Entitlement
Mr Zhaohui Wu	Nil	N/A	N/A
Dr Dianmin Chen	Nil	N/A	N/A

The Entitlement related to the Shares held in Trust for the Directors and other employees by CuDeco Employee Share Plan Pty Ltd, the trustee of the Company's employee share plan will not be taken up by the Company on behalf of the Directors and employees.

**Notes:*
1. *This excludes 291,666 Shares held by CuDeco Employee Share Plan Pty Ltd, the trustee of the Company's employee share plan;*
2. *This excludes 116,666 Shares held by CuDeco Employee Share Plan Pty Ltd, the trustee of the Company's employee share plan; and*
3. *This excludes 100,000 Shares held by CuDeco Employee Share Plan Pty Ltd, the trustee of the Company's employee share plan*

1.7 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer:

(a) to complete the construction and commissioning of the Rocklands Group Copper Project;

(b) to repay existing short-term shareholder loans; and

(c) for working capital (including contingencies) for the business in order to see it through to production.

1.8 Proposed allocation of funds raised

The table below identifies the estimated allocation of the funds raised from the Offer that the Company intends to spend for the purposes set out in section 1.7:

Purpose	Estimated $ million	Estimated $ million	Estimated %
Capital costs related to the construction of the Process Plant			
Sinosteel (Electrical and Instrument Installation)	12.00		
Fire Suppression System	1.50		
Spare Parts	1.50		
Sundry	2.54		
Total Capital costs related to the construction of the Process Plant		17.54	28%
Mining and processing activities costs			
EHP environmental bond	6.54		
Commissioning costs to be paid to Sinosteel	2.25		
Commissioning costs to be paid to Honeywell	0.57		
Mining Plant and Equipment	0.96		
Total Mining and processing activities costs		10.32	16%
Shareholder loan repayments for the loans set out in section 5.7 below) (the balance of the Shareholder loans of $2.33 million will be repaid from revenue generated from the Process Plant)		4.00	6%

Purpose	Estimated $ million	Estimated $ million	Estimated %
Payments to Sinosteel for Process Plant on account of amounts owing (as set out in section 5.1 below)		16.93	27%
Working Capital - to date the Process Plant is operational			
Mining Costs	3.52		
Processing Costs	5.61		
Commercial Costs	0.88		
Corporate Costs	1.12		
Asset Development	0.27		
Finance	2.23		
Total Working Capital		13.63	22%
Offer Costs		0.68	1%
Total raised from Rights Issue		**$63.10**	**100%**

These amounts are consistent with the estimated costs to complete the Process Plant and commence production provided for in the Feasibility Study. An extract of the executive summary of the Feasibility Study is set out in Appendix D to this Replacement Prospectus. Refer also section 3.12 for further details.

Notwithstanding the allocations set out above, in the event that circumstances change or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

1.9 **Investment Highlights**

CuDeco owns 100% of the Rocklands Group Copper Project located 15 kilometres west of the major North West Queensland regional township of Cloncurry. The Company holds mining leases ML90177, ML90188 and ML90219 which cover approximately 2,000 hectares.

The Company's main focus is to progress the development of the Rocklands Group Copper Project into the production phase. The construction of the Process Plant is well advanced and at this stage it is anticipated during 2016 that the construction of the Process Plant and the required infrastructure will be completed, the Plant will be commissioned and will enter into the production phase. Currently, the only major component still to be completed is the electrical cable installation. Nevertheless, commissioning activities are ongoing during this period.

The Directors of CuDeco believe it will be well positioned upon the successful completion of the Offer to progress the development of the Rocklands Group Copper Project into production.

The Rocklands Reserve Statement is based on end June 2015 pit and stockpile surveys, at which point CuDeco had removed 11.8 million tonnes of overburden and stockpiled 2.2 million tonnes of ore, which allows for optimisation of ore fee once production commences. However, the development of the mine continued up until August 2015 when mining was suspended to conserve the Company's cash, at which point approximately 2.4 million tonnes of ore was on stockpiles.

Until production commences only a limited exploration programme is being undertaken as the

main focus is on mine development and the plant construction. This programme involves desk-top analysis of geophysical and geochemical surveys, field sampling and mapping and target generation.

More information on the Rocklands Group Copper Project is set out below in section 3.

1.10 **Underwriting arrangements**

The Offer is fully underwritten.

The Company has engaged Australian-based Paradigm Securities as lead manager to the Offer and as Underwriter. Paradigm Securities have appointed the Sub-Underwriters (some of which are Substantial Shareholders) as sub-underwriters. Section 5.8 sets out further details of the arrangements.

1.11 **Shortfall and Dilution of Shareholder's Interests**

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to the Underwriter, the Sub-Underwriters and other investors, in which case Shareholders' interests in the Company may be significantly diluted. Section 9.12 sets out the potential effect on control of the Company from the underwriting arrangements.

Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Singapore, Hong Kong and the People's Republic of China (or to Shareholders in the People's Republic of China who are not qualified domestic institutional investors) and the holdings of those Ineligible Shareholders will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 20% in the event that they are not eligible to participate or elect not to accept their Entitlement in full (where any Shortfall is fully placed).

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of more than 20%, unless an exemption in section 611 of the Corporations Act applies.

1.12 **Treatment of Ineligible Shareholders**

The Offer in this Replacement Prospectus is not being extended to any Ineligible Shareholders because of the number of Ineligible Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia, New Zealand, Singapore, Hong Kong and China.

The Company has not appointed a nominee under section 615 of the Corporations Act to sell any New Shares that Ineligible Shareholders would have been entitled to under the Offer had they been eligible to participate (**Ineligible Shareholder Entitlements**). As such, Eligible Shareholders, the Underwriter and Sub-Underwriter will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Any Ineligible Shareholder Entitlements will form part of the Shortfall.

Eligible Shareholders, the Underwriter and Sub-Underwriters must have regard to the takeovers prohibition in section 606 of the Corporations Act when subscribing for New Shares, any Additional Securities or any Underwritten Securities.

1.13 Risk Factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations (further detail is contained in section 8):

Risk	Details
Costs of construction and development	The construction of the Process Plant and associated infrastructure, as with any major construction effort, involves many risks, including the satisfactory performance of the various contractors that CuDeco has or may engage to engineer and construct the plant, the risk of cost overruns and delays in design and construction, plant performance deficiencies, shortages of or delays in the delivery of equipment, construction materials and labour, labour disputes, political events, litigation, adverse weather conditions, unanticipated increases in costs, natural disasters, accidents and unanticipated engineering, design or environmental problems. Any of these events or other unanticipated events could give rise to delays in the commencement of production and an increase in the costs necessary for construction at the Rocklands Group Copper Project. There can be no assurance that construction will be completed and the Process Plant commissioned on time and within the capital cost estimate.
Uncertainty of development of projects and exploration risk	The primary business of the Company is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities. The Company is in the development phase of the Rocklands Group Copper Project, whilst other projects are in the exploration and evaluation phase. The current and future operations of the Company may be affected by a range of factors, including: • geological conditions; • limitations on activities due to seasonal weather patterns; • alterations to exploration programs and budgets; • unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities; • mechanical failure of operating plant and equipment; • adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events; • unavailability of drilling, mining, processing and other equipment; • unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour; • prevention of access by reason of inability to obtain regulatory or landowner consents or approvals, or native title issues; • terms imposed by government on development of mining projects including conditions such as environmental rehabilitation, royalty rates and taxes; • delays in completing feasibility studies and obtaining development approvals; and • risks of default or non-performance by third parties providing essential services.

Risk	Details
Reliance on and sourcing of key personnel	The Company is dependent on its Directors', managers' and consultants' ability to implement the Company's strategy in respect of the exploration and possible development of the Company's mineral interests. A number of factors, including the departure of senior management of the Company, could adversely affect the Company's ability to implement its strategy. The success of the Company's operations may also depend on continued access to competent management and technical expertise, prudent financial administrators and the availability of appropriately skilled and experienced employees, contractors and consultants operating in relevant sectors. In the event that the Company is unable to source such personnel, the Company could be adversely affected.
Future financing	Whilst development of the Rocklands Group Copper Project is in progress, the Company does not have any current operating revenue. Accordingly, it must continue to fund its exploration, feasibility and development programs through its cash reserves, equity capital or debt. As set out in section 3.12, the continued viability of the Company and development of the Project to production stage is dependent upon the success of the Offer. If the cash reserves currently available to the Company and the funds to be raised under the Offer are not sufficient to meet all the capital costs and working capital required to bring the Rocklands Group Copper Project to production and generating income, then there may be a need for the further raising of debt or equity funds in the future. There can be no guarantee that the Company will be able to successfully raise further project debt or equity finance.
Existing Finance Facilities	Due to delay in the completion of the Process Plant, Minsheng Bank have approved the restructure of the repayment schedule as set out in section 5.6 in line with the Company's anticipated cash flows. If at the time the repayments are due the Company is unable to make a repayment from its existing cash resources then the Company may default on the facility if it is unable to raise sufficient funds to make the repayment from other sources.
Market conditions	The ability of the Company to successfully enter the commercialisation phase of its activities will depend upon its ability to sell copper, cobalt, gold and other minerals on commercial terms and prices. Whilst the Company has secured an off-take agreement for the sale and purchase of its mineral products from the Rocklands Group Copper Project with Oceanwide (refer section 5.2, there can be no assurance that the Company will ultimately be able to sell the remaining copper, cobalt, gold and other minerals it may produce on acceptable commercial terms. The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for copper, cobalt, gold and other minerals is subject to many variables and may fluctuate markedly.
Product sale risk	Whilst the Company has secured an off-take agreement for the sale and purchase of its mineral products from the Rocklands Group Copper Project with Oceanwide, the failure of Oceanwide to meet its obligations under the off-take agreement could have a material adverse effect on the business, financial condition and results of the Company.

Risk	Details
Environmental risks	The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control. The conduct of mining activities, on the Company's tenements is subject to the grant or renewal of all necessary environmental approvals. There can be no guarantee that such grants or renewals of approvals will be forthcoming and the conditions imposed for the grant or renewal of such approvals may be so onerous that they render the Company's operations uneconomic.
Operating risks	The Company and its operations in Australia will be subject to usual industry operating risks including fire, accidental damage caused by employee errors or negligence, adverse weather conditions and industrial action. The occurrence of any of these risks could result in substantial liability being incurred by the Company.
Tenure risk	The mining interests held by the Company are subject to applicable laws regarding exploration, expenditure and renewal of such interests. If a mining interest is not granted or renewed (as the case may be) or access cannot be secured to carry out operations, the Company could be adversely affected as a result of the consequential loss of opportunity to discover and develop any mineral resources within those mining interests.
Taxation	In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows.
Contractual risks	The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action.

In addition to the risks set out above, there are a number of general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. Further details of the above risks and these general risks are set out in Section 8.

The New Shares offered under this Replacement Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of CuDeco have approved a non-renounceable rights issue of approximately 78,855,640 New Shares at $0.80 per New Share to raise approximately $63.1 million (before Offer costs). Eligible Shareholders of CuDeco are entitled to subscribe for one (1) New Share for every four (4) Shares held.

Only those Shareholders shown on the share register at 5 pm (Perth time) on the Record Date with a registered address in Australia, New Zealand, Singapore, Hong Kong or the People's

Republic of China (to the extent that such Shareholders are qualified domestic institutional investors in the People's Republic of China) will be entitled to participate in the Offer (subject to any local restrictions or those set out in this Replacement Prospectus).

Shareholders must comply with their local laws and are responsible for determining whether any laws may restrict them from participating in the Offer. If you are so restricted and come into possession of this Replacement Prospectus you should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws. If you are in doubt about your eligibility to participate in the Offer you should obtain independent professional advice.

CuDeco has applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation and trading of the New Shares is expected to occur on or about Wednesday 11 May 2016. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until Official Quotation is granted.

2.2 Offer of Underwritten Securities

The offer and issue of any Underwritten Securities to the Underwriter, the Sub-Underwriters and other investors identified by the Underwriter or the Company is also made pursuant to this Replacement Prospectus. The offer of the Underwritten Securities is not an offer made to the general public or all Eligible Shareholders.

2.3 Important dates

Lodgement of Replacement Prospectus with ASIC	Friday 8 April 2016
Notice to Shareholders containing Appendix 3B information	Tuesday 12 April 2016
Existing shares quoted on an ex rights basis	Wednesday 13 April 2016
Record Date for the Offer (5 pm Perth time)	Friday 15 April 2016
Replacement Prospectus and Entitlement and Acceptance Form despatched to Shareholders and despatch announced to ASX	Wednesday 20 April 2016
Opening Date of Offer (9 am Perth time)	Wednesday 20 April 2016
Closing Date of Offer (5 pm Perth time)	Tuesday 3 May 2016
Advise ASX of any Shortfall	Friday 6 May 2016
Trading Halt lifted – Ordinary shares recommence trading	Friday 6 May 2016
Allotment of New Shares	Tuesday 10 May 2016
Commencement of trading of New Shares on ASX	Wednesday 11 May 2016
Expected date of despatch of holding statements for New Shares	Thursday 12 May 2016
Final Date of placement of any Shortfall (3 months following Closing Date)	Wednesday 3 August 2016

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time by announcement to the market.

2.4 **Non-Renounceable Offer**

The Offer is non-renounceable. Accordingly, there will be no trading of Entitlements on ASX. Refer to Section 2.5 for details about how to deal with your Entitlements.

Entitlements which are not taken up will lapse in which case the Shortfall (after allocating any Additional Securities) will be dealt with in accordance with Section 2.6.

2.5 **How to deal with your Entitlements**

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Replacement Prospectus. Eligible Shareholders may apply for Additional Securities (refer section 2.14)

Eligible Shareholders may participate in the Offer as follows:

(a) **Take up your Entitlement in full**

If you are an Eligible Shareholder and wish to take up all of your Entitlement and are paying by cheque or bank draft, please:

- complete the Entitlement and Acceptance Form, which accompanies this Replacement Prospectus, in accordance with the instructions set out on the form; and
- forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form to reach the Company's Share Registry, so that it is received by no later than 5 pm (Perth time) on the Closing Date.

If you intend to pay for the New Shares by BPAY®, there is no need to return the Entitlement and Acceptance Form (however you are strongly encouraged to do so for ease of reconciliation purposes for the Share Registry). You should make your BPAY® payment for the Acceptance Monies for your full Entitlement.

(b) **Take up part of your Entitlement**

If you are an Eligible Shareholder and wish to take up only some of your Entitlement and are paying by cheque or bank draft, please:

- complete the Entitlement and Acceptance Form, which accompanies this Replacement Prospectus, by inserting the number of New Shares you wish to accept; and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry, so that it is received by no later than 5 pm (Perth time) on the Closing Date.

If you intend to pay for the New Shares by BPAY®, there is no need to return the Entitlement and Acceptance Form (however you are strongly encouraged to do so for ease of reconciliation purposes for the Share Registry). You should make your BPAY® payment for the Acceptance Monies for that part of the Entitlement you wish to take up.

(c) **Take up your Entitlement in full and apply for Additional Securities**

If you are an Eligible Shareholder and you wish to take up all of your Entitlement and apply for Additional Securities in excess of your Entitlement, and are paying by cheque or bank draft, please:

- complete the Entitlement and Acceptance Form, which accompanies this

Replacement Prospectus, by inserting the number of New Shares for which you wish to accept the Offer plus the number of Additional Securities you apply for; and

- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable (including the amount payable for the Additional Securities) to reach the Company's Share Registry, so that it is received by no later than 5 pm (Perth time) on the Closing Date.

If you intend to pay for the New Shares and any Additional Securities by BPAY®, there is no need to return the Entitlement and Acceptance Form (however you are strongly encouraged to do so for ease of reconciliation purposes for the Share Registry). You should make your BPAY® payment for the Acceptance Monies for your Entitlement and any Additional Securities you wish to take up.

(d) **Do nothing**

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued as Additional Securities or otherwise to the Underwriter, the Sub-Underwriters or other third parties procured by the Directors or the Underwriter in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

Your Entitlements may have value. You should contact your stockbroker or professional adviser with regards to whether or not you should deal with your Entitlements rather than allow them to lapse.

(e) **General**

If you have any queries concerning your Entitlement, please contact the Share Registry on 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date by fax or post to the Share Registry. Any completed Entitlement and Acceptance Forms received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of $0.80 per New Share is payable in full on acceptance of part or all of your Entitlement.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares and any Additional Securities you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares and any Additional Securities as your cleared Acceptance Monies will pay for (and to have that number of New Shares and Additional Securities on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY®, there is no need to return the Entitlement and Acceptance Form, however you are encouraged to return it to the Company's Share Registry as it assists with reconciliation of all Applications. It can be returned by post or facsimile.

If an Eligible Shareholder elects to make payment using BPAY®, they must contact their bank, credit union or building society to make payment of the Acceptance Monies from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers and care should be taken to ensure that correct numbers are used.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY® payments drawn on an Australian bank. Cheques and bank drafts should be made payable to CuDeco Limited and crossed "not negotiable".

You must ensure that your payment is received by no later than 5 pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY® may take 1 or more Business Days to clear.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares and any Additional Securities offered by this Replacement Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by CuDeco on behalf of the Applicants. Any interest earned on the Acceptance Monies will be retained by the Company irrespective of whether allotment takes place.

Australia Post has new delivery times depending on the level of service paid for. You should factor in these delivery times and consider sending your completed Entitlement and Acceptance Form and any other material to the Share Registry by "express post' service or by facsimile.

2.6 **Shortfall**

In the event that there is a Shortfall in subscriptions under the Offer (after allocating the Additional Securities):

(a) any Entitlements not taken up by Eligible Shareholders will pass to the Underwriter and Sub-Underwriters under the Underwriting Agreement entered into by the Company and any other third parties procured by the Directors or the Underwriter; and

(b) for any Entitlements not taken up after the allocation to the Underwriter and the Sub-Underwriters under the terms of the Underwriting Agreement, the Directors reserve the right, as contemplated within the Listing Rules, to allocate any shortfall of New Shares in their discretion so as to ensure a maximum amount of funds are raised. Any Shortfall will be issued within 3 months after the Closing Date at an issue price being not less than the Offer Price.

2.7 **Allotment and allocation policy**

CuDeco will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Replacement Prospectus, the Directors reserve the right to issue any Additional Securities and

any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made as shown on the timetable set out in this Replacement Prospectus as may be amended by announcement.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

No New Shares will be allotted or issued on the basis of this Replacement Prospectus later than 13 months after the date of issue of this Replacement Prospectus.

2.8 ASX listing

The Company has or will apply to the ASX for the New Shares to be issued pursuant to this Replacement Prospectus to be listed for Official Quotation by the ASX. If granted, quotation and trading of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants (as shown on the timetable set out in this Replacement Prospectus, as may be amended by announcement).

Should the New Shares not be granted Official Quotation on the ASX within 3 months after the date of this Replacement Prospectus, none of the New Shares offered under this Replacement Prospectus will be issued and all Acceptance Monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

2.9 CHESS

CuDeco will apply to the ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Replacement Prospectus.

The statement will also advise holders of their Holder Identification Number. Further statements will be provided to holders which reflect any changes in their holding in CuDeco during a particular month.

2.10 Minimum subscription

There is no minimum subscription to the Offer.

2.11 Underwriting

The Offer is fully underwritten. The Company has engaged Australian-based Paradigm Securities as lead manager to the Offer and Underwriter for the Underwritten Securities. Paradigm Securities have appointed the Sub-Underwriters (some of which are Substantial Shareholders in the Company) as sub-underwriters. Section 5.8 sets out further details of the arrangements.

2.12 Overseas shareholders

The Company has decided that it is unreasonable to make offers under this Replacement Prospectus to Shareholders with registered addresses outside Australia, New Zealand, Singapore, Hong Kong and China (or to Shareholders in the People's Republic of China who are not qualified domestic institutional investors) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the legal and

regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued, to Shareholders having a registered address outside Australia, New Zealand, Singapore, Hong Kong and China (or to Shareholders in the People's Republic of China who are not qualified domestic institutional investors).

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Singapore, Hong Kong and China in which the Ineligible Shareholders reside. The distribution of this Replacement Prospectus in places outside of Australia, New Zealand, Singapore, Hong Kong and China (or to Shareholders in the People's Republic of China who are not qualified domestic institutional investors) may be restricted by law and persons who come into possession of this Replacement Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

2.13 **Treatment of Ineligible Shareholder Entitlements**

The Company has not appointed a nominee under section 615 of the Corporations Act to sell any New Shares that Ineligible Shareholders would have been entitled to under the Offer had they been eligible to participate. As such, Eligible Shareholders, the Underwriter and the Sub-Underwriters will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Any Ineligible Shareholder Entitlements will form part of the Shortfall.

Eligible Shareholders, the Underwriter and Sub-Underwriters must have regard to the takeovers prohibition in section 606 of the Corporations Act when subscribing for New Shares, any Additional Securities or any Underwritten Securities.

2.14 **Additional Securities**

Eligible Shareholders are entitled to apply for Additional Securities over and above their Entitlement at the Offer Price. Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders wishing to apply for Additional Securities in addition to the Entitlement as shown on the Entitlement and Acceptance Form may indicate on their Entitlement and Acceptance Form the Additional Securities they wish to apply for.

Eligible Shareholders may, in addition to their Entitlement, apply for Additional Securities regardless of the size of their present holding. It is possible that there may be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. The Company reserves the right to scale back any applications for Additional Securities in its absolute discretion and it is an express term of the Offer that applicants for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest as soon as practicable after all Additional Securities have been issued.

The Company will not allocate or issue Additional Securities where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional Securities must consider whether or not the issue of the Additional Securities applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

2.15 **Electronic prospectus**

An electronic version of this Replacement Prospectus is available at www.cudeco.com.au. The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Replacement Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Replacement Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Replacement Prospectus has been

altered or tampered with in any way.

While the Company believes that it is extremely unlikely the electronic version of the Replacement Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Replacement Prospectus should immediately request a paper copy of the Replacement Prospectus directly from the Company or the Share Registry.

3. Company History and Project Status

3.1 Company Background

The Company was incorporated and registered in New South Wales on 31 May 1960 (at the time known as Prasby Industries Ltd). It subsequently changed its name to Prasby Securities Ltd. Its securities were officially quoted on the ASX on 2 August 1971 (at the time the Company was known as Australian Mining Investments Ltd).

In the year ended 30 June 2005, CuDeco commenced production at its Mt Norma operations. On 13 July 2006, the Company changed its name to CuDeco Limited (from Australian Mining Investments Ltd). As the focus of CuDeco changed to its Rocklands Group Copper Project, the interest in the Mt Norma operations and other tenements was sold in March 2007.

3.2 History of the Rocklands Group Copper Project

CuDeco's involvement with the Rocklands Group Copper Project can be traced back to November 2005 when CuDeco purchased an exploration permit known as EPM 13049. The EPM was located approximately 15 kilometres west of Cloncurry near Mt Isa in North West Queensland, Australia. EPM 13049 encompassed numerous old historical copper mines which had produced high grade ore.

CuDeco immediately commenced a shallow drilling programme in November 2005 to explore for copper oxide ore to supplement CuDeco's existing Copper Sulphate Production facility at Mt Norma. This drilling programme was over areas referred to as the 'Double Oxide' and 'Rocklands' located in the southern region of the EPM13049. Results identified numerous drill targets for deeper drilling. In 2006, CuDeco discovered a previously undiscovered zone of copper, cobalt and gold mineralisation which has a strike length of over 1,250m. This mineralised zone was named 'Las Minerale'.

Drilling continued and in June 2006, CuDeco announced an inferred resource of 59m tonnes @ 2% Cu equivalent within the 600 metres drilled 'Las Minerale' zone of mineral extrapolation to 900 metres. A total of 106 holes had been drilled at the time of the announcement. An application for a mining lease over this area was subsequently lodged in August 2006.

There are five subordinate shears that run sub-parallel to 'Las Minerale' with a width of over 1km. This zone is known as 'Central Rocklands' and 'Southern Rocklands'.

3.3 Grant of Mining Leases

On 24 November 2011, the Queensland Government approved the grant of the mining leases over EPM 13049, with a 30 year term (ML90177 and ML90188). Subsequently, in May 2012 the Queensland Government granted a mining lease (ML90219) for the corridor between these two mining leases. The corridor mining lease provides critical access for power supply to the tailings dewatering and return water pumps, for maintenance of the tailings dam infrastructure and for the pipelines which run between the Process Plant and the tailing dams. The Company remains the holder of these tenements which cover approximately 2,000 hectares.

3.4 Current Tenements

The Company holds the following tenements in Queensland as at the date of this Replacement Prospectus:

Project	Tenement	Interest held by CuDeco Limited
Morris Creek	EPM 18054	100%
Camelvale	EPM 25426	100%
Rocklands Group Copper Project	ML 90177, ML 90188 and ML 90219	100%

3.5 Ore Bodies

The 'Las Minerale' orebody was discovered in 2006 with spectacular copper assay results along a central supergene-enriched high-grade zone some 600 metres in length. 'Las Minerale' is one of 11 copper orebodies at the Rocklands Group Copper Project, including the 'Rocklands South' orebody that includes similar supergene enrichment as that found at 'Las Minerale'.

'Las Minerale' is CuDeco's flagship orebody, with a large supergene zone that continues from surface to 180m deep in places, containing significant resources of coarse native copper and high-grade chalcocite. 'Las Minerale' is one of a group of clustered, sub-parallel striking orebodies that would be collectively mined over the first 10 years of planned mining operations at the Rocklands Group Copper Project. The Company is confident that the project life may be able to be extended beyond the 10 years based on known resources.

The Rocklands Group Copper Project orebodies include large zones of high-grade coarse native copper ore that is continuous and pervasive from near-surface to depths of over 180m in places. The coarse native copper is also co-mingled with oxide, supergene, transitional and primary copper ore types.

To date around 14.5Mt has been mined at the Rocklands Group Copper Project, sourced from production pits (13.8Mt – including organic strip-back, waste pre-strip and production), and some 0.80Mt from non-pit related development activities.

3.6 Resources

An updated Resource Estimate reported according to the Joint Ore Reserves Committee (JORC) Code 2012 and Guidelines was completed in November 2013. Details are contained in the Company's ASX Announcement set out in Appendix B to this Replacement Prospectus.

An update to the Resource Estimate reported according to the Joint Ore Reserves Committee (JORC) Code 2012 and Guidelines was included in the Feasibility Study, an executive summary of which was announced by the Company on 3 March 2016 and an extract of which is contained in Appendix D to this Replacement Prospectus.

3.7 Ore Reserves

The Company released its maiden Ore Reserve Estimate on 11 December 2015, reported according to the Joint Ore Reserves Committee (JORC) Code 2012 and Guidelines. The ASX announcement made by the Company on that date is contained in Appendix B to this Replacement Prospectus.

The Maiden Ore Reserve Estimate was prepared by Australian Mine Design and Development

(AMDAD), and is based on the November 2013 Mineral Resource Estimate for the Rocklands Group Copper Project prepared by Mining Associates Pty Ltd. The Ore Reserve is based on the Stage-1, 10-year mine plan also prepared by Australian Mine Design and Development (AMDAD), as part of the 2015 Rocklands Feasibility Study, an executive summary of which was released by the Company on 3 March 2016, and an extract of which is included in Appendix D to this Replacement Prospectus.

The Ore Reserve is that part of the Mineral Resource which can be economically mined by open pit mining methods after consideration for dilution and metal losses and additional modifying factors including mining, metallurgical, social, environmental, statutory and financial aspects of the Rocklands Group Copper Project.

To date, pit design and subsequent mine scheduling has been based on internally produced economic cut-off grade estimates. The Reserve Estimate provides confirmation that not only was this in-house modelling accurate, but remarkably so given it was initially prepared some three years ago in a very different economic environment. The Reserve Estimate announced by the Company in its ASX announcement dated 11 December 2015 (a copy of which is included in Appendix C to this Replacement Prospectus) provided:

Total Ore Reserve: 28Mt @ 0.9% Spec_CuEq
(0.71% Cu, 0.14g/t Au, 357ppm Co, 6.7% Mag)
Comprising

Proved Ore Reserve: 23Mt @ 1.0% Spec_CuEq
(0.77% Cu, 0.15g/t Au, 382ppm Co, 7.1% Mag)
and
Probable Ore Reserve: 5Mt @ 0.6% Spec_CuEq
(0.45% Cu, 0.11g/t Au, 232ppm Co, 5.0% Mag)

Within the Ore Reserve

High-grade Ore Reserve: 10Mt @ 1.61% Spec_CuEq
(1.39% Cu, 0.24g/t Au, 504ppm Co, 6.6% Mag)

Low-grade Ore Reserve: 17Mt @ 0.48% Spec_CuEq
(0.31% Cu, 0.08g/t Au, 269ppm Co, 6.8% Mag)

The Company's first priority is to generate cash flow based on a Stage 1, initial 10 year mining operation, at a process rate of 3 million tonnes per annum and if possible, early cash flow from preliminary crushing, scalping and ore-sorting activities.

3.8 Rocklands Group Copper Project Process Plant

The Rocklands Group Copper Project Process Plant when completed is designed to have the capacity to process 3 million tonnes per annum and incorporates both 3 stage Primary and Tertiary Crushing and High Pressure Grinding Rolls (HPGR) circuits specifically designed to handle coarse native copper ore, a large native copper gravity circuit including jigs, spirals and tables, and standard flotation circuits and magnetic separators.

The Process Plant has been designed by, and is being constructed by China State owned company and Substantial Shareholder, Sinosteel. The various contracts with the Company are detailed in section 5.1 below. The construction of the Process Plant commenced in August 2013 and it is nearing completion. Section 3.15 sets out the commissioning status.

The plant configuration and processing regime was designed after extensive metallurgical test-work that was undertaken over nine years. The Plant is capable of treating all ore types identified at Rocklands Group Copper Project concurrently, producing five co-products (copper, cobalt, gold, pyrite and magnetite) in four saleable concentrates:

- Native copper metal concentrate (contains Cu);
- Copper sulphide concentrate (contains Cu, Au);
- Cobalt (pyrite/sulphur) concentrate (contains Co, Au, sulphur); and
- Magnetite concentrate (contains Fe suitable for dense media separation).

3.9 Status of operations

The development of the Rocklands Group Copper Project's open pit mine has progressed well and mining to date has concentrated on the strip-back and waste removal with approximately 14 million tonnes mined to date. This has been achieved by the Company utilising its own equipment and staff. All major development earthworks have been completed including the water storage facility, tailings storage facility, Morris Creek diversion channel, Morris Creek dam and water storage, ROM pad, and haul and access roads. There is now also over 2.2 million tonnes of ore stockpiled ready for full-scale operations in 2016 after commissioning of the Process Plant.

All approvals have been granted at the Rocklands Group Copper Project including native title, mining leases and environmental authority and the plan of operations. Off-take agreements are in place.

At the date of this Replacement Prospectus, the Company has over 245 people including construction contractors) on site at the Rocklands Group Copper Project completing construction of the Process Plant and other infrastructure. The number of workers is expected to be around 180 as the project becomes fully operational.

The Company has committed to recruiting local residents wherever possible, only hiring those willing to live in the community, rather than fly-in, fly-out or drive-in, drive-out employees.

Due to the need to conserve cash, mining activities were temporarily suspended in August 2015, with a small crew remaining to focus on completing additional wet-season water management and other infrastructure projects. Mining is planned to re-commence sometime after live feed to the Process Plant is underway, but the timing will be based on the recommendations of the Rocklands Group Copper Project operations team and management and dependent on Process Plant commissioning progress.

It is anticipated that the Project will proceed through commissioning and production on completion of this Offer, in accordance with the proposed commissioning schedule detailed in section 3.14 and 3.15.

3.10 Feasibility Study

The Company released an executive summary of its Feasibility Study to the ASX on 3 March 2016. An extract of that executive summary is included in Appendix D of this Replacement Prospectus. Page 20 of that extract sets out the following key economic parameters for the Project:

Parameter	Unit	Value
Average LOM Mill feed	Mtpa	2.74
Average LOM Head Grade	Cu eq %*	0.90

Parameter	Unit	Value
Average LOM head Grade	Cu %	0.71
Average LOM Production	Cu eq tpa	25,319
Average LOM Production	Cu tpa	18,347
Mine Life	Years	10**
C1 LOM Cash Costs Cu eq	A$/lb of CuEq	1.13
Initial Capital Invested	A$M	637.4
LOM Sustaining Capital	A$M	42.2

** copper equivalent includes cobalt, gold and magnetite*

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

3.11 Rehabilitation security

The Queensland Department of Environment and Heritage Protection (**DEHP**) requires the Company to provide security for the rehabilitation of the mine site at the end of the mining operations. In December 2015 the Company paid a further $4.3 million to secure a bank guarantee to be provided by the Company to DEHP as security for the rehabilitation liability, taking the total funds under guarantee to the Queensland Government to $6.42 million. DEHP has issued a further notice to the company after re-assessing the rehabilitation liability and have requested approximately $6.5 million as additional security. This additional security request is required to be lodged by 29 April 2016. The Company has provided for the full amount to be paid from the funds raised (refer sections 1.8 and 3.12).

3.12 Feasibility Study and application of funds raised from the Offer

Based on the estimated capital to complete shown in the extract of the executive summary of the Feasibility Study set out in Appendix D, the Company expects that the funds raised from this Offer plus existing cash on hand, will be sufficient to complete the construction of the Process Plant, complete the commissioning of the Process Plant and provide working capital for the Company to reach production.

The following summarises the amounts required:

		$M
Executive Summary of Feasibility Study		
Estimated capital and Operating Costs to Surplus Cash Flows From Dec 2015		
Payments to Sinosteel	Refer schedule of payments in section 5.1 for further details	31.18
Net commissioning Costs	See commissioning schedule in section 3.15 for further details	17.41
EHP environmental bond	See section 3.11 for further details	6.54
Sundry costs		8.57
Total as Per 1.8.1 Table in Executive Summary of Feasibility Study		**63.70**
Shareholder loan repayments (the balance to be repaid from revenue generated from the Process Plant)	See sections 1.8 and 5.7	4.00
Costs of the Offer	See sections 9.14 and 9.19	0.68
Total Capital (including Working Capital) Required to commission the Plant and commence production		68.38
This capital is to be funded as follows:		
Cash on hand 31 December 2015	See sections 6 and 7 and Appendix A (Proforma and Accounts)	10.60
Amount Raised from the Offer	See section 1.8	63.10
		73.70

3.13 Process Plant status

The major activities the Company is currently progressing for the Process Plant include:

- DNRM review of reagents storage shed
- Hazardous area dossier completion
- Construction of Process Plant workshop
- Relocation of laboratory and purchase of laboratory equipment
- Recruitment of commissioning and operations personnel
- Fabrication and installation of reagents storage shed
- Installation and commissioning of new cone crusher for primary crushing plant
- Commissioning of Process Plant (refer section 3.14)
- Fuel farm installation for power station

Other major development activity is already complete. Mining and stockpiling of ore has commenced.

3.14 Commissioning activities

The commissioning phase of the Rocklands Group Copper Project will be managed by CuDeco with assistance and equipment performance verification by the major contractor, Sinosteel. Commissioning will proceed according to CuDeco's Commissioning Plan which incorporates all aspects from construction completion through to handover to the CuDeco Operations Team.

A Commissioning Contract is currently being progressed with Sinosteel to provide a team of its experienced operating personnel to work under the management of the CuDeco team.

Commissioning covers the formal handover and acceptance of process equipment and commissioning modules between the various commissioning stages, from the completion of installation by contractors and suppliers through verification of plant and equipment, dry or pre-commissioning by field engineers and design engineers, to final commissioning by the commissioning team.

The Commissioning Plan has been developed to provide the CuDeco Operations Team and the Sinosteel and CuDeco Project Teams with a description, methodology and requirements of the commissioning activities proposed for the Project. This includes:

- methodology, including description of commissioning phases, process commissioning modules and commissioning areas
- interface management including handovers from construction to commissioning and from commissioning to the Principal
- commissioning systems and procedures to be used
- risk assessments including risk analyses for individual commissioning modules
- safety strategies to be implemented for the safe transition from construction to an operating site
- organisational structure and resources requirements
- communications and reporting.

A fully documented and agreed Commissioning Scope complements the Commissioning Plan and provides the framework for CuDeco's commissioning steps. The individual components of the system are:

- Preparation of Commissioning Plan
- Preparation of Documentation and Manning
- Verification of Plant and Equipment (C0)
- Dry Commissioning (C1)
- Wet Commissioning (C2)
- Ore Commissioning (C3)
- Performance Verification (C4)
- Area Acceptance (C5)
- Commissioning Closeout (C6).

Whilst the final electrical installation (principally the High Voltage (HV) termination) is in progress the CuDeco Commissioning Team has been undertaking a range of commissioning activities that are enabled as sections of the Process Plant are made available by the contractor. Power is provided by portable power generation which enables LV motors, pumps, compressors, etc., to be energised to check motor directions and fit drive belts, run limited amounts of ore through conveying systems, operate water pumps and fill tanks to check for leakage, and run compressors to check valve operation, etc.

3.15 Status of commissioning activities – estimated costs and timing to complete

The level of commissioning completion is approximately as follows (as at the date indicated in the table):

Commissioning Stage	Start Date	Expected Completion Date	Percentage Complete at 23 March 2016	Cost to Complete (A$'M) (1 Jan 2016 to 30 June 2016)
Preparation of Commissioning Plan	N/A	Complete	100% complete	2.54
Documentation Preparation	N/A	15 March 2016	95% complete (outstanding items not associated with critical activities)	3.56
Manning	N/A	4 July 2016	65% complete (for CuDeco manning assuming 25 personnel in Sinosteel commissioning team for C2. Manning to increase in line with ramp up)	24.64
Verification of Plant and Equipment (C0)	9 November 2015	15 May 2016	100% for SMP 80% complete for Electrical and instrument installation (with remaining items mostly relating to lighting, power distribution and remedial activities)	8.21
Dry Commissioning (C1)	9 November 2015	15 April 2016	20% complete	4.03
Wet Commissioning (C2)	7 January 2016	30 April 2016	8% complete	5.19

Commissioning Stage	Start Date	Expected Completion Date	Percentage Complete at 23 March 2016	Cost to Complete (A$'M) (1 Jan 2016 to 30 June 2016)
Ore Commissioning (C3)	29 April 2016	4 August 2016	1% complete	15.56
Performance Verification (C4)	Not yet commenced	1 August 2016	0% complete	To be funded from production income
Area Acceptance (C5)	Not yet commenced	2 August 2016	0% complete	To be funded from production income
Commissioning Closeout (C6)	Not yet commenced	4 August 2016	0% complete	To be funded from production income
TOTAL:				**$63.73**
Total Amount Incurred prior to the date of the Replacement Prospectus				**(5.32)**
Total to be funded by sale of product up to 30 June 2016				**(41.00)**
Total to be funded from this Offer				**(17.41)**

CuDeco has appointed a Commissioning Manager to take charge of the commissioning process. CuDeco also has been steadily increasing its operational personnel, many of whom will assist or form part of the CuDeco commissioning team before transferring to operational duties following the handover process.

It is planned that the commissioning team or team members will remain after transfer to Operations, to provide assistance and support to the operations team for a period. It is also expected that the major Structural, Mechanical, Piping and Electrical contractors will remain during the commissioning process to provide essential support and rectification services.

The technical representatives of the major equipment vendors will also be present to provide advice and to supervise the start-up of equipment provided by their respective companies, and to provide rectification services if and where required, and performance verification to CuDeco's and Sinosteel's satisfaction, of the equipment performance.

Under the schedule set out above, the overall process for commissioning will be continuing from the present with planned continuous ore feed commencing late in April, rising to 100% of capacity by July 2016.

3.16 Exploration

Exploration activity has been scaled back to allow focus of the Rocklands Group Copper Project staff on development activities, and to reduce cash spend as part of the wider cost-cutting measures employed at the Rocklands Group Copper Project during August 2015t. Minor low cost activity is ongoing however, including soil sampling, bedrock drilling using the Company's rig, desktop interpretation and field reconnaissance.

Notwithstanding the scaling back of exploration activities, the Company remains confident that the areas are highly prospective. Details of the 2016 exploration programme for ML80177, EPM 18054 and EPM 25426 are set out below.

The Eastern Succession of the Mt Isa Inlier is one of the world's best known Copper Mineralisation Belts. ML90177, EPM18054 and EPM25426 lie along the potential strike of major fault system which hosts 3 of the largest deposits in the Cloncurry area, 'Rocklands', 'Ernest Henry' and 'Mt Margaret (E1 camp)'.

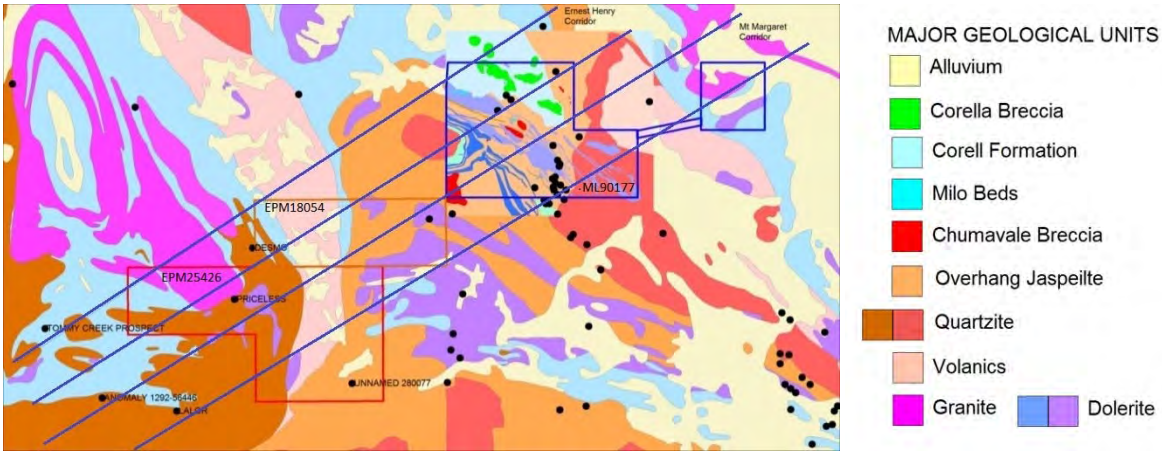


Figure 1 Shows the relationship of the Ernest Henry and Mt Margaret Corridors and the Rocklands Mine Lease (blue), Current Exploration Permit EPM18054 (orange) and EPM25426 (red).

Rocklands style mineralisation is dominated by dilational brecciated shear zones through varying rock types of the Overhang Jaspilite Unit, 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.

The dilational zones occur predominantly in a north-west direction and are believed to be brought about by earlier strike slip faulting events in a north-east direction. The north east strike slip faulting is interpreted as the Ernest Henry and Mt Margaret Corridor in Figure 1.

Wall rock interaction with mineralised fluids is an important consideration for the precipitation of Cu-Co-Au to occur. The preferred rock type is dolerite, however sedimentary breccia within the Overhang Jaspilite Unit can also host mineralisation.

CuDeco has developed an extensive and successful exploration model for Cu-Co-Au mineralisation within the adjacent areas, combining geophysics with results from surface geochemical sampling over suitable rock type and/or RAB drilling on rock types unsuitable for soil sampling such as alluvial plains.

The Company's 2016 Exploration programme will target the following areas:

1. ML90177 (Mining Lease) - test for extensions to known orebodies and/or new orebodies on ML90177. Numerous targets modelled and waiting drill testing.

2. EPM18054 and EPM25426 - identify economically exploitable zones of mineralisation.

- ML90177 exploration

Numerous drill-ready targets have been identified based on exploration modelling that has been highly successful to date, including; along-strike and depth extensions to known orebodies; new targets including interpreted sub-parallel mineralised zones; and theoretical modelling that includes at least 2 major IOCG style targets.

- EPM18054 and EPM25426 exploration

The primary target for exploration is Cu-Co-Au mineralisation similar to that found at the Company's adjacent Rocklands deposit (ML90177), and generally found regionally within the Overhang Jaspilite Unit. Historic exploration within these EPM's has identified anomalous copper occurrences at surface, but lack of follow-up activity suggests they were not of sufficient scale to warrant further expenditure. These areas are still considered highly prospective.

The Company's Rocklands Group Copper Project Process Plant (adjacent to the EPM's) changes the criterion for "sufficient scale" and with this in mind planned exploration will re-visit previously identified copper and gold anomalies, and also generate new exploration targets based on existing and planned geophysics surveys (SAM, Mag, EM), geochemical sampling (including rock-chip, soil sampling and bedrock drilling), and field reconnaissance.

The secondary target will be mineralisation associated with the Tommy Creek Block, which is an exotic uplifted block CuDeco believes may host similar dilational structures to those hosting mineralisation at Rocklands.

3.17 Demand for Copper

Global demand for primary copper is anticipated to increase in 2016, driven by increased urbanisation in China, India and Brazil, aiding the outlook for new suppliers.

Notably, recent supply disruptions in Chile and Indonesia have highlighted Australia's certainty of supply for Asian buyers, and CuDeco is in a strong position having already secured an offtake agreement for a minimum of 60% of planned copper concentrate production.

3.18 Offtake

Offtake agreements are already in place with Oceanwide, a Substantial Shareholder, for a minimum of 60% up to a maximum of 100% of the planned copper concentrate (at the discretion of the Company).

Further details of the Company's offtake arrangements are in section 5.2.

4. Directors and Key Management Personnel

4.1 The Directors

The Directors of CuDeco bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

The following persons are directors of the Company as at the date of this Replacement Prospectus:

Dr Noel White (Independent, Non-Executive Chairman) – PhD, BSc Honours and BSc

(Director since January 2016)

Dr Noel Clarence White (68 years) is a Fellow of the Society of Economic Geologists, and the Society for Geology Applied to Mineral Deposits and a Member of Geological Society of Australia, the Australian Institute of Geoscientists and the International Association for Geology of Ore Deposits. Dr White also holds a Bachelor of Science Degree in Geology and Chemistry from Newcastle University, and a PhD in Economic Geology from the University of Tasmania.

He has broad experience in the mining industry working for BHP for approximately 34 years where he was the Chief Geologist when he left in 1999. Since that time Dr White has worked as an independent consultant and researcher and has been a non-executive director of a number of mining companies, including Gold Aura Limited, Asia Now Resources (Toronto) and Norton Gold Fields Pty Ltd and also an honorary director of Kalgoorlie Mining Co. Ltd.

He has been appointed as Professor at the University of Tasmania, the University of Queensland, James Cook University, Hefei University of Technology, China University of Geosciences, Beijing, and Fuzhou University. He has been awarded the China Friendship Medal, and the R.A.F. Penrose Gold Medal of the Society of Economic Geologists. Dr White has also published over 50 papers.

Mr Peter Hutchison (Managing Director) – MAusIMM, MRACI Ch Chem

(Director since 2004)

Peter Hutchison (66 years) is a process chemist and hydrometallurgist with over 40 years industry experience involving the chemical, mineral processing and water treatment businesses

Since 24 July 2015, he has assumed the role as the Managing Director of CuDeco as an interim appointment whilst retaining responsibility for the operations of the Rocklands Group Copper Project.

Mr Vitie Paul Keran (Independent Non-executive Director) – BAppSc, BE (Chemical), Dip BA

(Director since 2007)

Paul Keran (72 years) is a chemical engineer with more than 30 years of experience in the resource sector in Australia and internationally, in senior operations management and project development roles in base metals mineral processing, smelting and technology development.

He was previously with MIM Holdings as General Manager - Group Metallurgical Development and Metallurgical Works Manager at Mt Isa. He also completed technical assessment and development of the US $1 billion Alumbrera copper/gold project in Argentina.

He retired by rotation in accordance with Article 3.6 of the Company's Constitution at the Company's annual general meeting on 14 December 2015. He was re-elected.

Mr Zhijun Ma (Independent Non-executive Director)

(Director since 2011)

Mr Zhijun Ma (44 years) is a graduate from Engineering Management Tianjin University with a bachelor degree. Mr Ma is a specialised professional economist and during his career has been involved in a number of major investment projects covering a wide range of areas including finance, energy and real estate.

He retired by rotation in accordance with Article 3.6 of the Company's Constitution at the Company's annual general meeting on 14 December 2015. He was re-elected.

Mr Zhu Mu Po (Alternate director to Mr Z Ma)

(Alternate Director since 3 September 2015)

Mr Zhu Mu Po (33 years) was educated in Accounting and Finance Department of Macquarie University. He specialised in professional management and investment. During his career, he has been involved in a number of major investment projects within the finance sectors.

Mr Hongwei Liu (Non-independent Non-executive Director)

(Director since 2012)

Mr Liu (48 years) is a graduate from Mechanical Design and Manufacturing Dalian Ocean University with a bachelor degree, and a master degree of Management from Massey University New Zealand. He is specialized in professional management and administration and during his career has been involved in a number of major investment projects covering a wide range of areas including finance and energy.

Mr Liu is a director of Oceanwide and is responsible for this company's investments for overseas projects especially within the finance, energy and resource sectors.

He is also currently a director of Minsheng Holdings Co Limited.

Mr Zhaohui Wu (Non-independent Non-executive Director)

(Director since 2 July 2014)

Mr. Wu (48 years) is an executive director of Natsun Australia Pty Ltd and was nominated as a representative of New Apex.

Mr Wu graduated from Xiamen University in China with the degree of Bachelor of Economics. He has worked in the international trading sector since 1989.

He was involved in the export business during his work in China with either state owned or private mineral companies, and kept working on import and export of alumina, aluminium, wool and wine when he moved to Australia in 2002. He also has been involved in acquisition of golf resorts and farms and related activities from 2008.

He retired by rotation in accordance with Article 3.6 of the Company's Constitution at the Company's annual general meeting on 14 December 2015. He was re-elected.

Dr Dianmin Chen (Non-independent Non-executive Director)

(Appointed 14 December 2015)

Dr Chen (57 years) holds a Bachelor of Science in Mining Engineering (China) and a PhD in Mining Geomechanics (Australia). Dr Chen has extensive experience in the mining industry including 10 years with Barrick Gold, General Manager of Jinfeng Gold Mine in China, Chief

Operating Officer of CITIC Pacific Mining responsible for the development of a large iron ore mine, and he was appointed CEO and Managing Director of Norton Gold Fields in August 2012 until August 2015, Dr Chen remains a non-executive Director of Norton Gold Fields. Dr Chen is a nominee director for Rich Lead Investment Pte Limited.

4.2 Constraints on availability of Directors

Save as noted in this Replacement Prospectus, each Director has confirmed to the Company that he anticipates being available to perform his duties as Director of the Company without constraint from other commitments.

4.3 Independence of Directors

The Board considers that Mr Keran, Dr White and Mr Ma are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Mr Hutchison is not currently considered by the Board to fulfil the role of Independent Director due to his executive position with the Company.

Mr Liu (nominee of Oceanwide), Mr Wu (nominee of New Apex) and Dr Chen (nominee of Rich Lead Investment Pte Ltd) are not currently considered by the Board to fulfil the role of Independent Directors due to them being a nominee or representative of a Substantial Shareholder.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in Section 1.6.

4.4 Key Management Personnel

The following persons form the key management personnel of the Company as at the date of this Replacement Prospectus:

Ross Cook - Process Manager

The process manager is responsible for leading the Process team in the development of the Rocklands Group Copper Project into an operating processing plant of 3 Million tonnes per annum capacity, producing native copper metal, and copper, cobalt/pyrite and magnetite concentrates in a safe and environmentally responsible manner.

Mr Cook is a qualified metallurgist with a Diploma in Metallurgical Engineering. He joined the Company on 2 July 2014.

His role for the Company includes the formulating and implementing of the commissioning programmes, development of an operations readiness plan and budgets, and providing reports to the Board. He is also responsible for managing the operations team and ensuring compliance with Occupational Health and Safety policies.

He has had over 40 years' experience in the mining industry.

Bruno Bamonte – Chief Financial Officer and Company Secretary

Mr Bamonte is an Australian Chartered Accountant and has more than 15 years of experience in the listed company area in roles ranging from Company Secretary to Finance Director.

David Wilson – Assets and Development Manager

The Assets and Development Manager's role is to identify opportunities to improve the performance of existing producing assets of the Company and to identify, quantify, and develop new business opportunities utilising existing assets such as exploration leases, or via acquisition of new assets synergistic with CuDeco's strategic direction.

The Assets and Development Manager is also responsible for creating and maintaining promotion of the Company assets to potential investment in CuDeco, and assisting the Company in public reporting obligations and its promotional activities amongst sophisticated sectors of the investment community.

Mr Wilson has a diverse background spanning multiple industries including; architectural specialist (15 years); traditional prospector (alluvial and placer gold - 35 years concurrently); and professional day-trader (8 years). Prior to becoming the Company's Assets and Development Manager he was Manager and Principal Advisor for exploration, mineral resources and corporate for the Company.

David joined the Company during the initial exploration phase of the Rocklands Group Copper Project introducing innovation that added significant scale to the Rocklands Group Copper Project resource. He subsequently led similar innovation during resource assessment and estimation, pit optimisation and mine scheduling, improving economic outcomes through directing or managing;

- exploration, resource infill and deep diamond drilling programmes;
- resource modelling and estimation;
- pit optimisation and mine scheduling;
- feasibility studies including cash-flow, NPV and sensitivity analysis; and
- design/implementation of the Rocklands Group Copper Project ore/grade-control system.

Mark Roberts – General Manager of Rocklands Group Copper Project

The General Manager is responsible for leading the Rocklands Group Copper Project operation and reporting to the Managing Director. The General Manager has a sustained focus on a safe, lean and cost effective operation and will provide key technical support for the corporate development of the Company.

Mr Roberts has over 35 years' experience in mining operations, asset management, logistics and services within the resource sector. He previously held the role of General Manager of Central Services with Glencore Xstrata Plc, being responsible for those services that supported both the copper and zinc commodity business units. Prior to that Mr Roberts was responsible for Xstrata's North Queensland Copper Townsville assets including the Copper Refinery, Port and Logistics and Commercial teams.

He joined the Company on 23 November 2015.

5. Material Contracts

5.1 Contracts for construction of the Process Plant

The Company has entered into a number of contracts with Sinosteel in relation to various phases of construction of the Process Plant. These include:

1. Sinosteel- Detailed Design and Equipment Supply

On 25 February 2011, the Company entered into an agreement with Sinosteel Equipment and Engineering Co. Ltd for the detailed design and equipment supply for the Process Plant.

Under this agreement Sinosteel were required to:

a. Complete a detailed design for the project for $US 5,000,000;

b. Supply the equipment required for the project FOB Shanghai, China for $US 49,074,677 (based on a detailed listing provided as part of the contract); and

c. Supply two years' spare parts FOB Shanghai, China for $US 3,939,649.

The Company paid the required deposit of $US 4,197,166 on 7 March 2011 and has paid a total of $US 57,602,865 to date on the contract. The balance of the funds will be paid out of the proceeds of the Offer.

The erection and commissioning of the equipment shall be supervised by Sinosteel's engineers. There is a 12 months warranty period after the Start-up of the Process Plant or 18 months from the date of shipment, whichever comes first.

Under the terms of the contract the Company is responsible to provide:

a. water electricity and gas;

b. facilities for the proper storage of equipment at site;

c. competent and qualified operators to be trained for the commissioning of the plant;

d. correct documents to Sinosteel; and

e. the qualified lubricants for the first fill of all equipment supplied by Sinosteel.

Under the terms of the contract Sinosteel is responsible to provide:

a. progress reports every three months;

b. transportation to the port – FOB Shanghai, China; and

c. engineers to supervise the erection, commissioning and start-up of the equipment.

Sinosteel is not responsible for any consequential damage occasioned by reason of defects or due to repairs or replacement or other work required to be done to the equipment to remedy such defects.

Variations to the Equipment Supply Contract

In February 2013 and March 2013 variations to the contract for the supply of the equipment were agreed by the parties to reflect changes in the requirements of the equipment that became apparent to the parties due to their ongoing work on the design specifications. The total variations increased the contract sums by $US 19 Million.

On 29 September 2015 a final variation to the contract was agreed, increasing the contract sum by a further $US 3.3 million. All work under this contract has now been finalised.

2. Steel Supply Agreement

On 25 February 2011, the Company entered into an agreement with Sinosteel for the

supply of the steel structures and installation services for the Rocklands Group Copper Project.

The contract price to supply FOB Shanghai port was $US13,323,000 and this price includes building steel structures for the following Process Plant components:

- HPGR plant;
- Jigging plant;
- Spiral and Table plant;
- Grinding plant;
- Flotation plant;
- Concentrate dewatering plant;
- Lime Slaking plant;
- Reagent plant; and
- Tailings Thickener plant.

A supplemental contract for steel supply was entered into with Sinosteel based on the final drawings increasing the amount of steel and cladding required. This was entered into on 5 September 2014 for a further $US 6,008,273.

All the steel structure has been delivered to site and the payment owing under this contract is US$7,845,193.

3. Sinosteel - Structural and Mechanical Installation

On 27 May 2013, the Company entered into a contract with Sinosteel for the installation of the steel structure, mechanical equipment and piping according to the Sinosteel issued construction drawings. Sinosteel is responsible for the provision of all construction plant required for the installation, all bolts and small installation material and HSE management of the workforce required for this work.

Under the contract CuDeco is responsible for:

- the civil works and concrete including all excavations, back fill and associated earth works and fill requirements
- the provision of two 50 tonne truck mounted cranes;
- diesel to all plant and construction equipment on site;
- packing and rubbish removal, road maintenance and dust control for the site;
- crib and ablutions for the installation contractors on site;
- a lay down area and warehouse for equipment storage before installation; and
- site induction.

The contract sum is $AUD 52.1 million (excluding GST, licences, fees and other statutory charges). This price is based on the steel structure being no more than 5,500 tonnes. If the actual tonnage is greater than 5,500 tonnes up to a maximum of 5,700 tonnes then an extra $3,000/tonne is payable.

Sinosteel have agreed to accept $AUD35.5 million in fully paid ordinary shares as part payment on the contract, which were issued on 15 February 2013.

On 29 September 2015, Sinosteel and CuDeco entered into a supplemental Agreement to release and discharge the other party from any further claims under the contract whereby CuDeco agrees to make a further payment by of $1,500,000 to be paid as follows:

a. $1 million by 31 December 2015; and

b. $500,000 by 28 April 2016.

This sum covers all variations under the contract as agreed to by both parties.

4. Sinosteel – Electrical Installation

On 6 March 2015, Sinosteel and CuDeco entered into a contract for Sinosteel to manage and construct the Electrical works for the Process Plant at the Rocklands Group Copper Project.

The contract sum for the electrical works is $AUD 30,000,000 exclusive of GST payable by instalments. At this time $5 million has been paid and Sinosteel have agreed to defer the

settlement of the balance.

The Company has responsibility to:

- Supply all drawings and specifications required for the installation;
- At its own cost, supply materials for the performance of the installation;
- Supply diesel, cranes, underground conduit and pits;
- Undertake the excavation, backfilling, compaction work, earthing working, modification of the central control room and installation of the Distributed Control System (DCS);
- Supply all drawings and specifications required for the installation;
- At its own cost, supply materials for the performance of the installation;
- Supply diesel, cranes, underground conduit and pits;
- Undertake the excavation, backfilling, compaction work, earthing working, modification of the central control room and installation of the DCS.

Sinosteel has responsibility to:

- At its own cost, supply all cabling fitting required for the terminating of cables and the like;
- Carry out and complete the installation.

Also, Sinosteel has full rights and will make an independent decision on choosing a subcontractor to do the electrical installation.

Summary of amounts owing to Sinosteel

The amounts owing to Sinosteel under these contracts, and the planned repayments are as follows:

Description	$ million
Total amounts owing to Sinosteel	
- Detailed design and equipment supply, supply of Steel, and structural and mechanical installation	231.9
- Installation of electrical cabling and instrumentation	30.00
- Commissioning of the plant	3.10
Less total amounts paid to Sinosteel up to the date of the Replacement Prospectus	(145.69)
Less total amounts paid to Sinosteel up to the date of the Replacement Prospectus by the issue of shares in CuDeco Limited	(74.51)
Total amounts to be paid to Sinosteel from the Offer	(31.18)
Projected amount owing to Sinosteel at the end of June 2016 It has been agreed with Sinosteel that this amount outstanding will be paid from revenues generated from production between July 2016 and December 2016.	13.62

As some of the contracts were in US dollars, these amounts represent the contracted amounts as at the date the contracts were entered into and payments are as at the date the payments were made.

5.2 Offtake Agreements

Offtake Agreement with Oceanwide

On 25 April 2011, the Company and Oceanwide entered into an offtake agreement (the **Offtake Agreement**), pursuant to which Oceanwide will purchase a minimum of 60% and at the Company's election up to 100% of the Company's total annual production of each of the copper/gold concentrates and pyrite/cobalt concentrates (collectively, the **Concentrates**, each a **Concentrate**) produced from the Rocklands Group Copper Project.

The major terms of the Offtake Agreement are summarised below:

- Concentrates from the Rocklands Group Copper Project will be sold at prices determined at a discount to prevailing international market rates for similar quality concentrates which shall be calculated using element payments reflecting the grade and quality of the Concentrates from the Rocklands Group Copper Project and based on the copper and cobalt prices as quoted on the London Metal Exchange, silver and gold prices as quoted on the London Bullion Market Association and average daily global spot sulphur price, on the Quotation Day (as defined therein); and subject to deduction of treatment and refining charges which will be negotiated on an annual basis and will be consistent with those prevailing in the international market for comparable concentrates at the time of the negotiation of the relevant charges.
- The content of copper, gold, silver, sulphur and cobalt in the Concentrates will be determined by the parties from assays performed on samples taken from each shipment in accordance with standard international practice.
- Oceanwide will be required no later than 14 days prior to the scheduled arrival of the vessel at the port deliver an irrevocable unconditional letter of credit, in favour of CuDeco payable immediately on presentation in respect of the shipment for a sum equal to the Company's estimate of the value of the minerals contained in the Concentrates in that shipment.
- The term of the Offtake Agreement is from the date of the Offtake Agreement until the earliest of
  - (i) a party is in default under the Offtake Agreement and that default is not remedied within 30 business days and the non-defaulting party serves a notice upon the defaulting party electing to terminate the Offtake Agreement;
  - (ii) the permanent close-down of the Company's concentrate production at the Rocklands Group Copper Project, subject to written consent to terminate the Offtake Agreement by Oceanwide; and
  - (iii) the date 25 years after the date of the Offtake Agreement.

As part of a share placement with Oceanwide concluded in December 2014, the Company entered into a memorandum of understanding with Oceanwide detailing the terms of the placement and including an offer for Oceanwide to purchase 100% of the native copper from the project. This offer is subject to the parties entering into final documentation.

Contract for supply of native copper for purchase

The Company has entered into a supply agreement with Qingyuan Sunshine Recycling Co; Ltd. (**QSR**). Under the agreement the Company provided 2 x 20' containers with approximately 44 tonnes of the native copper product for test work. QSR has agreed to purchase up to 40,000 tonnes per year of the Native Copper product.

QSR agrees to pay CuDeco 90% of LME Cash buyer price on FOB Townsville port. The Copper content to be determined by Guangdong General Research Institute of Non-Ferrous Metals after smelting of blister copper at destination .

There is no obligation under the agreement for CuDeco to supply 40,000 tonnes or part thereof.

5.3 **Transport, Logistics and Fuel**

Agreements with Cannon and Connelly Investments Pty Ltd trading as Townsville Bulk Storage and Handling (TBSH)

The Company has entered into contracts with TBSH for

a. A five-year Mine to Port Transport and Logistics Agreement, with a five-year extension option

TBSH is contracted to control and manage all aspects of the logistics chain. TBSH is an established transport, warehousing and stevedoring service provider, and the largest privately owned full-service provider in North Queensland, offering a fully integrated haulage and port services solution.

Under the agreement, concentrate from the Rocklands Group Copper Project 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 over the first five years of production from the Rocklands Group Copper Project mine site.

The agreement includes:

- Loading and trucking of concentrate product from the Rocklands Group Copper Project mine site to Townsville, 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.

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,

b. The supply and delivery of bulk fuel

Under the contract TBSH will supply and deliver up to 750,000 litres of diesel per week, to fuel CuDeco's constructed 28 MW Cummins power station, mining fleet and light vehicles.

The price for the fuel will change weekly in accordance with the "buy rate" which is calculated according to a pre-determined formula based on the Townsville Daily Terminal Gate Price (**Townsville Daily TGP**) per litre.

The Townsville Daily TGP is the weighted average GST exclusive cost of the quantities purchased by the Supplier during each week ending on Friday during the term of the agreement.

TBSH agrees to supply, install and maintain during the term of the agreement the following at its sole expense:

(a) Six fuel storage tanks (AS1692 Double Skinned Diesel Storage Tanks) at the Power Station Tank Farm for a minimum storage capacity of 500,000 litres with equipment suitable for using the tanks to refuel the Power Station;
(b) Two fuel storage tanks (AS1692 Double Skinned Diesel Storage Tanks) at the Mining Tank Farm for a storage capacity of 200,000 litres with equipment for using the tanks to refuel heavy truck and service trucks and light vehicles; and
(c) The supplier agrees to maintain during the term a minimum level of a five day "Operating Supply" being the average consumption of the preceding 30 days of usage from the Power Station Tanks and Mining Tank Farm.

The Company has provided TBSH with a Permit to Occupy the site with the above tanks at a nominal annual charge. This permit remains in place for the term of the above agreement.

5.4 Native title

Under the Native Title Agreements concluded, the Company is committed to making certain payments including:

- Annual administration payments of $30,000;
- $50,000 on commencement of production of minerals from the mining lease areas; and
- Annual payment of a total of 0.3368% of the value of minerals sold from the mining lease areas.

5.5 Loan Funded Share Plan

In November 2011, the Company sought, and was granted, approval for setting up of Loan Funded Employee Share Plan (**Share Plan**). The Share Plan allows Directors from time to time to invite eligible employees to participate in the Share Plan and offer shares to those eligible persons. The Share Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company.

Under the terms and conditions of the Share Plan the participants are loaned the value of the shares at the date of their allocation and the shares are held in trust until the loan is repaid. The loan is a non-interest bearing loan and any recourse is limited to the value of the shares. The shares are issued at the weighted average of the share price over the five trading days before the shares were allocated. The vesting of the shares will be subject to performance or service conditions as determined by the Board. The shares allocated to employees under the Share Plan are held in trust for eligible persons as security for the loans. There are no cash settlement alternatives.

The loan funded shares for accounting purposes are considered to be in-substance options and are treated as such in the accounts of the Company.

5.6 Finance Facilities with China Minsheng Banking Corporation

The Group has secured two finance facilities from the China Minsheng Banking Corporation Limited. These facilities include;

- Facility A – US$60m facility for construction costs; and
- Facility B – US$5m to assist with working capital requirements post commissioning of the Process Plant.

As at the date of this Replacement Prospectus, both facilities have been fully drawn. These facilities are to be repaid as follows:

- Facility A
  - 31 October 2016 – repayment of $US20 Million
  - 31 January 2017 – repayment of $US40 Million
- Facility B - by 31 January 2017

Both facilities are secured by registered security interests over the assets of the Group.

The interest rate payable on both facilities is the aggregate of LIBOR for three months plus 3.50% margin plus 2% management fee.

5.7 Substantial Shareholders short term loans

The Company's Substantial Shareholders have provided short term loans of $8.3 million to the Company. As at the date of this Replacement Prospectus $6.3 million remains outstanding. The Details of the loans outstanding are as follows:

Date	Lender	Description	Amount of Loan $	Interest rate
3 Aug 2015	Oceanwide	Short term Loan #1	1,000,000	4% p.a. accrued monthly
3 Aug 2015	New Apex	Short term Loan #1	1,000,000	4% p.a. accrued monthly
3 Aug 2015	Equus Capital Management Ltd (Loan arranged by Sinosteel)	Short term Loan #1	333,333	4% p.a. accrued monthly
15 Sept 2015	Oceanwide	Short term Loan #2	2,000,000	11% p.a. accrued monthly
15 Sept 2015	New Apex	Short term Loan #2	2,000,000	11% p.a. accrued monthly

Of these loans, $4 million is to be repaid from the proceeds of the Offer (refer section 1.8) and the balance is to be repaid after the Company enters into production.

5.8 Underwriting Agreement

The Company has engaged Australian-based Paradigm Securities as lead manager of the Offer and Underwriter. Under the terms of the Underwriting Agreement, the Underwriter has agreed to underwrite any Shortfall from the Offer (which may be up to 45,666,609 New Shares at $0.80 per share totalling $36,533,287).

Paradigm Securities as lead manager and underwriter will manage the issue and will provide advisory services including discussions with shareholders and potential new investors and also arrange presentations within the market place. Paradigm Securities will also assist in marketing activities to increase the profile of the Company.

Paradigm Securities have appointed four companies as Sub-Underwriters. As noted in section 9.12, three of these Sub-Underwriters are substantial shareholders in the Company (namely Oceanwide, Rich Lead Investment Pte Limited and New Apex), and the fourth is an independent company, AM Capital.

Each of the Sub-Underwriters that are Substantial Shareholders (namely Oceanwide, Rich Lead Investment Pte Limited and New Apex) have agreed in the Underwriting Agreement to take up their full Entitlements under the Offer. The four Sub-Underwriters have agreed to fully sub-underwrite any Shortfall from the Offer (which may be up to 45,666,609 New Shares) with AM Capital having agreed to sub-underwrite up to 10,000,000 New Shares. Any allocation of the Shortfall between the Sub-Underwriters can be varied by agreement between them, but the final allocation is subject to Board approval. The Sub-Underwriters will have 4 Business Days to pay after notification of their allocation. If any Sub-Underwriter defaults in payment of its subscription monies for its allocation of the Shortfall, the non-defaulting Sub-Underwriters, must, if directed by the Company, severally subscribe for and pay for those New Shares in place of the defaulting Sub-Underwriter, in such proportions as notified by the Company.

The Company will reimburse the Underwriter for all direct costs and reasonable expenses associated with the underwriting. Subject to the closing of the Offer and the Acceptance Monies having been received (including payment for the Shortfall from the Sub-Underwriters), the Company will also pay the Underwriter $500,000 and issue 1 million options (at a strike price of $2.00 with an expiry date 24 months after the date of issue) to be registered into the name of the Underwriter and/or its nominees. This payment and issue of options comprises full payment for management of the Offer as lead manager and any commission payable in respect of

underwriting the Offer.

The Company considers that at grant of the options to the Underwriter, their fair value is $102,000. This has been calculated using a Black-Scholes option pricing model that takes into account the exercise price, the life of the options, the current price of the underlying instrument, the price volatility of the underlying instrument, the expected dividend yield and the risk-free rate for the life of the options.

No fee is payable to the Sub-Underwriters.

6. Historical Financial Information

6.1 Half Year Accounts and Going Concern

The Company lodged its interim financial report for the half year ended 31 December 2015 with ASX and ASIC on 1 April 2016 (**Half Year Accounts**), The Half Year Accounts include the independent auditor's review report (but are not audited accounts) which notes that there is material uncertainty regarding continuation of the Group as a going concern (as referred to in Note 3 of the Half Year Accounts), The Half Year Accounts provide that the Group's ability to continue as a going concern is critically dependent upon raising additional funding (under this Replacement Prospectus), the successful and timely commissioning of the Process Plant, the Group receiving cash flows from mining activities within forecast timeframes and the Group meeting its debt obligations. The auditors consider that these material uncertainties may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Half Year Accounts.

6.2 Consolidated Financial Information for last 3 years and most recent half year

Appendix A to this Replacement Prospectus contains financial information for the six months ended 31 December 2015 (extracted from the Half Year Accounts) and the financial years ended 2013, 2014 and 2015 (extracted from the Company's audited accounts for the relevant year) as follows:

(a) a consolidated income statement showing major revenues and expense items, and profit or loss; and
(b) an extract of the material notes to the 2015 financial statements.

A copy of the accounts for the years ended 2013, 2014 and 2015 and the Half Year Accounts are available to investors free of charge by telephoning the Company on 61 (7) 5503 1955 or under the heading 'Announcements' on the Company's website at cudeco.com.au.

The past performance of the Company should not necessarily be considered a guide to its future performance. The New Shares offered under this Replacement Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX.

7. Effect of Offer on CuDeco

7.1 Financial position

The Offer will have a material effect on improving the Company's and the Group's financial position. Set out below is the actual and the pro-forma consolidated statements of financial position as at 31 December 2015 (based on the Half Year Accounts which have been reviewed by the auditors but are not audited). The pro-forma statements incorporate the effects of the Offer, if fully subscribed. There have been no other material events since 31 December 2015.

Pro-forma consolidated statements of financial position

	Based on Half Year Accounts	Pro-forma Assuming Offer Fully Subscribed
	31 December 2015	
	$'000	$'000
CURRENT ASSETS		
Cash and cash equivalents	10,746	73,175
Trade and other receivables	946	946
Inventories	5,001	5,001
TOTAL CURRENT ASSETS	16,693	79,122
NON CURRENT ASSETS		
Inventories	21,260	21,260
Property, plant and equipment	237,363	237,363
Exploration and evaluation assets	9,291	9,291
Development costs	167,637	167,637
Other assets	7,078	7,078
TOTAL NON-CURRENT ASSETS	442,629	442,629
TOTAL ASSETS	459,322	521,751
CURRENT LIABILITIES		
Trade and other payables	39,255	39,255
Loan and borrowings	67,925	67,925
Provisions	1,115	1,115
TOTAL CURRENT LIABILITIES	108,295	108,295
NON-CURRENT LIABILITIES		
Loan and borrowings	20,531	20,531
Provisions	6,267	6,267
TOTAL NON-CURRENT LIABILITIES	26,798	26,798
TOTAL LIABILITIES	135,093	135,093
NET ASSETS	**324,229**	**368,658**
EQUITY		
Contributed equity	508,536	570,863
Reserves	59,704	59,806
Accumulated losses	(244,011)	(244,011)
Total Equity	**324,229**	**368,658**

Basis of preparation

The pro-forma consolidated statements of financial positions have been prepared as an abridged version for the purposes of the Replacement Prospectus and do not include all the disclosures required under Australian accounting standards as required for annual financial statements or a half year report.

The Consolidated statements of financial positions are based on the accounting policies of CuDeco as included in the Company's 30 June 2015 Audited Financial Report.

The basis of preparation includes the historical cost basis and, except for the calculation of the fair value of the options to be issued and where elsewhere stated, do not take into account changing money values or fair values of non-current assets.

The financial statements have also been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Whilst the Directors believe sufficient funds are held for commitments over the next 12 months, including for exploration and development planning purposes, the ability of the consolidated entity beyond that period or for mining and operations purposes, to maintain continuity of normal business activities and to pay its debts as and when they fall due, is dependent on the ability of the consolidated entity to successfully complete this capital raising.

The pro-forma consolidated statements of financial position have been prepared based on the Half Year Accounts (unaudited but reviewed by the Company's auditors), adjusted for the effects of the Offer. There were no other post 31 December 2015 transactions that were considered significant that required inclusion in the pro-formas.

***Notes to the statements of financial position regarding pro-forma Consolidated statements of financial position and post balance date transactions**:*

The pro-forma consolidated statements of financial position should be read in conjunction with the 30 June 2015 Audited Financial Report and the Half Year Accounts, which have both been lodged with ASIC. These are available by contacting the Company on +61 7 5503 1955 or on CuDeco's website www.cudeco.com.au.

The pro-forma consolidated statement of financial position has been prepared to reflect the Offer being fully underwritten and gross proceeds of $63.1 million being raised.

The pro-forma consolidated statement of financial position reflects the receipt of funds of $63.1 million from the Offer resulting in:

(a) the issue of 78,855,640 Shares at $0.80 each, representing a $63.1 million increase in the Contributed Equity of the Company; and

(b) the cash costs of the issue of approximately $680,000 being a reduction to Contributed Equity based on the apportionment of the funds raised.

7.2 Principal effects of the Offer

The principal effects of the Offer assuming it is fully subscribed will be to:

(a) increase cash reserves by approximately $62,429 Million immediately after completion of the Offer, after deducting the estimated expenses of the Offer;

(b) increase the Share Option Premium Reserve for $102,000 being the value of the Options to be issued to Paradigm Securities as Underwriter and lead manager to the Offer (calculated using the Black Scholes valuation model); and

(c) increase the total number of Shares on issue from 315,422,559 as at the date of this Replacement Prospectus to 394, 278,199 following completion of the Offer.

7.3 Capital Structure

The share capital structure of CuDeco immediately following the Offer (excluding rounding of Entitlements), will be as follows, assuming $63.1 million is raised from the Offer and that the Offer is fully subscribed.

	$63.1 million is raised from the Offer	
	Shares	
	Number	**%**
Ordinary Shares on issue at the date of this Replacement Prospectus	315,422,559	80%
Maximum number of New Shares under Replacement Prospectus[1]	78,885,640	20%
Total	394,278,199	**100%**

Notes:

1. *Assuming that no further Share issues are undertaken prior to the Closing Date. Upon completion of the Offer and successful application for quotation to ASX, all Shares will be quoted on ASX.*

8. Risk factors

8.1 Introduction

The Shares offered by this Replacement Prospectus should be considered speculative. The Directors strongly recommend that the Shareholders examine the contents of this Replacement Prospectus and consult their professional advisers before deciding whether to invest in the Company's Shares.

An investment in the Company will be exposed to a number of key risks related to its specific business operations. Key risks are risks that the Directors and senior management of the Company focus on when managing the business and which would have the potential, upon occurrence, to significantly affect the Company and the value of investments in the Company. An overview of these key risks is provided in Section 8.2.

An investment in the Company is also subject to general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. These include, for example, the volatility of share prices as a result of economic conditions. An overview of these general risks is provided in Section 8.3.

The following risk factors are not exhaustive but represent some of the major risk factors that may affect the future operating and financial performance of the Company and the value of an investment in it.

Prior to making a decision to invest in the Company, Shareholders should carefully consider the risk factors set out below applicable to the Company. Careful consideration should be given to these risk factors, as well as the other information contained in the Replacement Prospectus and the investors' own knowledge and enquiries, before an investment decision is made.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation.

8.2 **Key risks specific to an investment in the Company**

Shareholders should be aware of the key risks specific to an investment in the Company as described below.

(a) Costs of Construction and Development

CuDeco is in the early stages of commencing the production phase of its Rocklands Group Copper Project. The construction of the Process Plant and associated infrastructure, as with any major construction effort, involves many risks, including the satisfactory performance of the various contractors that CuDeco has or may engage to engineer and construct the plant, the risk of cost overruns and delays in design and construction, plant performance deficiencies, shortages of or delays in the delivery of equipment, construction materials and labour, labour disputes, political events, litigation, adverse weather conditions, unanticipated increases in costs, natural disasters, accidents and unanticipated engineering, design or environmental problems. Any of these events or other unanticipated events could give rise to delays in the commencement of production and an increase in the costs necessary for construction at the Rocklands Group Copper Project. There can be no assurance that construction will be completed and the Process Plant commissioned on time and within the capital cost estimate.

While the design and construction contracts may provide for liquidated damages for, among other things, delays in completion of the project caused by other parties, these liquidated damages, if available, are unlikely to be sufficient to cover unforeseen increases in construction costs or other expenses resulting from these delays, and these delays could have a materially adverse effect on CuDeco's financial condition.

(b) Uncertainty of Development of Projects and Exploration Risk

The primary business of the Company is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities.

The Company will depend on the Rocklands Group Copper Project for substantially all of its revenues and cash flows from operating activities in the near term. While the Company intends to continue investing in additional mining and exploration projects in the future, the Rocklands Group Copper Project is likely to be the Company's only producing mining project in the near term.

The Rocklands Group Copper Project is in the late stages of construction and is yet to demonstrate whether it is capable of operating at the targeted level of economic production. There is a risk that the targeted level of commercial copper ore production may be delayed or never realised, or realised only with the Company undertaking significant further capital expenditure. If the Company fails to complete the Rocklands Group Copper Project within the projected schedule and budget, the Company's Share price and the Group's business and results of its operations could be materially and adversely affected.

Some of the operations are still in the exploration and evaluation phase. The current and future operations of the Company may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns;
- alterations to exploration programs and budgets;
- unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities;

- mechanical failure of operating plant and equipment;
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of drilling, mining, processing and other equipment;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- prevention of access by reason of inability to obtain regulatory or landowner consents or approvals, or native title issues;
- terms imposed by government on development of mining projects including conditions such as environmental rehabilitation, royalty rates and taxes;
- delays in completing feasibility studies and obtaining development approvals;
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited by the Company.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory, including but, not limited to, environmental approvals on a timely basis. Development of a commercial mining operation is also dependent on the Company's ability to establish basic infrastructure such as (but not limited to) power, water, transport and housing to support its operations.

(c) Reliance on and Sourcing of Key Personnel

The Company is dependent on its Directors', managers' and consultants' ability to implement the Company's strategy in respect of the exploration and possible development of the Company's mineral interests. A number of factors, including the departure of senior management of the Company, could adversely affect the Company's ability to implement its strategy. There can be no assurance that any Director, manager or consultant of the Company will remain a Director, manager or consultant of the Company.

The success of the Company's operations may also depend on continued access to competent management and technical expertise, prudent financial administrators and the availability of appropriately skilled and experienced employees, contractors and consultants operating in relevant sectors. The continued access to such personnel cannot be guaranteed. In the event that the Company is unable to source such personnel, the Company could be adversely affected.

(d) Future Financing

Whilst development of the Rocklands Group Copper Project is in progress, the Company does not have any current operating revenue. Accordingly, it must continue to fund its exploration, feasibility and development programs through its cash reserves, equity capital or debt. As set out in section 3.12, the continued viability of the Company and development of the Project to production stage is dependent upon the success of the Offer.

If the cash reserves currently available to the Company and the funds to be raised under the Offer are not sufficient to meet all the capital costs and working capital required to bring the Rocklands Group Copper Project to production and generating income, then there may be a need for the further raising of debt or equity funds in the future. There can be no guarantee that the Company will be able to successfully raise further project debt or equity finance.

(e) Existing Finance Facilities

Due to delays in the completion of the Process Plant, Minsheng Bank have approved the restructure of the repayment schedule as set out in section 5.6 in line with the Company's anticipated cash flows.

If at the time the repayments are due the Company is unable to make a repayment from its existing cash resources, then the Company may default on the facility if it is unable to raise sufficient funds to make the repayment from other sources.

(f) Market Conditions

The Company's financial performance is highly dependent upon the price of copper and other minerals extracted by it. The ability of the Company to successfully enter the commercialisation phase of its activities will depend upon its ability to sell copper, cobalt, gold and other minerals on commercial terms and prices. Whilst the Company has secured an off-take agreement for the sale and purchase of its mineral products from the Rocklands Group Copper Project with Oceanwide (refer section 5.2, there can be no assurance that the Company will ultimately be able to sell the remaining copper, cobalt, gold and other minerals it may produce on commercial terms.

The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for copper, cobalt, gold and other minerals is subject to many variables and may fluctuate markedly. Copper, cobalt and gold are traded commodities in Australia and their long term prices may rise or fall. In other jurisdictions, prices may be regulated or subject to regulation, which could cause prices to be lower than the cost of production.

(g) Product Sale Risk

The Company has a small number of customers who will purchase the bulk of its copper. The Company has agreed to sell on a 'take or pay' basis, a minimum of 60% of its annual production of concentrate products to Oceanwide after its commencement of production. These sales could be increased to 100% at the Company's election.

Whilst the Company has secured an off-take agreement for the sale and purchase of its mineral products from the Rocklands Group Copper Project with Oceanwide and may also enter into agreements with other customers, the failure of Oceanwide and any other customers to meet their respective obligations under their off-take agreements could have a material adverse effect on the business, financial condition and results of the Company.

(h) Environmental Risk

The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control. The conduct of mining activities, on the Company's tenements is subject to the grant or renewal of all necessary environmental approvals. There can be no guarantee that such grants or renewals of approvals will be forthcoming and the conditions imposed for the grant or renewal of such approvals may be so onerous that they render the Company's operations uneconomic. The Company

proposes to operate fully in accordance with applicable laws and conduct its programmes in a responsible manner with regard to the environment.

(i) Operating Risks

The Company and its operations in Australia will be subject to usual industry operating risks including fire, accidental damage caused by employee errors or negligence, adverse weather conditions and industrial action.

The occurrence of any of these risks could result in substantial liability being incurred by the Company.

To mitigate this risk the Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims. Insurance cover may not be available for every risk faced by the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(j) Tenure Risk

The mining interests held by the Company are subject to applicable laws regarding exploration, expenditure and renewal of such interests.

Laws and policies in Australia may impact on both the Company's ability to secure and maintain its mining interests and its ability to access the mining interests it holds. Mining interests are granted subject to various conditions including, but not limited to, work and expenditure conditions. Failure to comply with these conditions may expose the licences to forfeiture.

All of the exploration permits and tenement interests held by, or applied for, by the Company (or which the Company has an interest in) may in the future become subject to applications for renewal or applications for grant. Given that the terms on which the Company's permits are granted or renewed (if at all) are generally at the discretion of the relevant governmental or administrative authority, there is a risk that any mining interest held by the Company may not be renewed in the future, or that any application for grant may be refused, and that the Company may be unable to comply with legislative or regulatory requirements to retain title to its permits or applications.

If a mining interest is not granted or renewed (as the case may be) or access cannot be secured to carry out operations, the Company could be adversely affected as a result of the consequential loss of opportunity to discover and develop any mineral resources within those mining interests.

(k) Taxation

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(l) Contractual Risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

8.3 **General Risks**

(a) Share Market Conditions

The value of the Company Shares quoted on ASX will be subject to varied and often unpredictable influences on the market for equities and particularly for speculative stocks such as the Company's. It is important to recognise that share prices may fall as well as rise, and the Company's Shares may trade below or above the issue price. The price of the Company's Shares, when quoted on the ASX, will be influenced by international and domestic factors as well as general equity market fluctuations. Should these produce a negative effect on the Share price, this may also affect the Company's ability to raise development capital.

(b) General Economic Conditions

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- general economic conditions in Australia and its trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

(c) Changes in Government Policies and Laws

Changes in government laws, regulations, policies and administrative regimes, particularly those affecting ownership of mineral interests, taxation, royalties, land access, labour relations, environmental pollution and mining and exploration activities, may adversely affect the financial performance or the current and proposed operations generally of the Company. These changes may increase operating costs and may have a material adverse effect on the Company.

(d) Industrial Risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

(e) Management Actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

(f) Media

You should not rely on any information contained in press articles or other media regarding the Company. There may be certain press and media coverage regarding our Company. It may cover certain financial information, industry comparisons, profit forecasts and other information about the Company that does not appear in this Replacement Prospectus. We have not authorised the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information and should only rely on information included in this Replacement Prospectus or otherwise released by the Company in making any decision as to whether to invest in the Shares.

(g) Other risks

Please also refer to note 21 of the consolidated financial statements in Appendix A to this Replacement Prospectus which refers to the Company's exposure (if any) and management of market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

8.4 Speculative Nature of Investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares issued under this Replacement Prospectus.

9. Additional information

9.1 Basis of prospectus

CuDeco is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, CuDeco is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Replacement Prospectus is issued under Section 710 of the Corporations Act. That section requires the Company to issue a prospectus that contains all the information that investors and their professional advisers would reasonably require to make an informed assessment of:

(a) the rights and liabilities attaching to the New Shares; and
(b) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company.

The Replacement Prospectus must contain this information:

(a) only to the extent to which it is reasonable for investors and their professional advisers to find the information in the prospectus; and
(b) only if a person whose knowledge is relevant under section 710(3) Corporations Act actually knows the information or in the circumstances ought reasonably to have obtained the information by making enquiries.

9.2 Copies of documents

Copies of the documents lodged by CuDeco with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Replacement Prospectus:

(a) annual financial report for the period ending 30 June 2015; and

(b) any other financial statements lodged in relation to CuDeco with ASIC and any continuous disclosure notices given by CuDeco to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2015 and ending on the date of lodgement of this Replacement Prospectus with ASIC.

9.3 ASX Information

Copies of ASX announcements made by the Company may be obtained on the ASX website: www.asx.com.au (Company Code: CDU).

ASX Announcements made by the Company on 29 November 2013 ('Updated Resource 2013') and 11 December 2015 ('Maiden Ore Reserve Estimate') are contained in Appendix B and Appendix C to this Replacement Prospectus. An extract of the executive summary of the Feasibility Study announced by the Company on 3 March 2016 is contained in Appendix D to this Replacement Prospectus.

9.4 Share Price Information

At the request of the Company, the Company's shares have been suspended from trading on the ASX since 4 August 2015 to allow for the Company to resolve its long term funding needs. The Board

considered that until plans were finalised that any reinstatement of trading would result in trading occurring in a market not fully and properly informed.

The last market sale price of Shares as at 4 August 2015 was $1.105. Since that date the shares in the Company have not traded as the Company has been voluntarily suspended.

The highest and lowest prices of shares in the Company on the ASX in the period before 4 August 2015, being the last day that shares in the Company traded on ASX and the respective dates of those sales are set out below.

Relevant Period	High during Relevant Period	Date of Sale (High)	Low during Relevant Period	Date of Sale (Low)
One month before 4 August 2015	$1.257	29 July 2015	$1.104	4 August 2015
Three months before 4 August 2015	$1.606	30 June 2015	$1.104	4 August 2015
Six months before 4 August 2015	$1.606	30 June 2015	$1.104	4 August 2015

The issue price is $0.80 for a New Share. The Offer Price represents a 27.6% discount to the closing price on 4 August 2015.

It is anticipated that the Shares will recommence trading on the ASX shortly after the Closing Date as shown in the timetable in section 2.3 as amended by announcement from the Company.

9.5 Corporate Structure

The corporate group comprises CuDeco Limited and the following wholly owned subsidiaries:

Company	Incorporated in	Interest held by CuDeco Limited
Cloncurry Infrastructure Pty Ltd ACN 099 764 342	Australia	100%
CuDeco Logistics Pty Ltd ACN 153 137 592	Australia	100%
CuDeco Employee Share Plan Pty Ltd ACN 154 573 841	Australia	100%

9.6 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor

does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated System

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the Securities Clearing House Business Rules approved under the Corporations Act or by an instrument of transfer in any usual from or by another form approved by the Directors or recognised by the Corporations Act or the ASX Listing Rules.

(2) Certificated System

Subject to the Constitution and the Corporations Act, a Shareholder's share may be transferred by instrument in writing in any form authorised by the Corporations Act and the ASX Listing Rules or in any other form authorised by the Corporations Act and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Acceptance of transfer

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) Future increases in Capital

The allotment and issue of any new shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of new shares on such terms and conditions as they see fit.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of 75% of the holders of the issued shares of that class, or if authorised by an ordinary resolution passed at a separate meeting of the holders of the shares of that class.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

9.7 Section 708A(11) of the Corporations Act

If Shares are issued to an investor without a disclosure document then the on-sale of those same Shares is generally restricted pursuant to the Corporations Act, unless an exemption applies (such as those under section 708A of the Corporations Act). These on-sale provisions are an anti-avoidance mechanism that is designed to minimise the opportunity for an issuer of securities to avoid giving disclosure to retail investors by first issuing the securities to an investor for whom disclosure is not required and then having that investor on sell the securities to a retail investor.

The on-sale provisions seek to ensure that regardless of whether the securities are issued directly or indirectly to retail clients, the retail clients received adequate disclosure for what is indirectly an issue of securities and the issuer remain liable to retail clients for the efficacy of that disclosure.

Section 708A operates as an exemption from the on-sale provisions. If the Company does not fall within one of these exemptions, any securities issued to an exempt investor (pursuant to section 708 of the Corporations Act) may be restricted from on-sale for the first 12 months from the date of issue unless the investor (to whom the securities may be on-sold) also falls within one of the exemptions.

However, section 708A(11) provides that a sale offer of securities would not need disclosure (and therefore would be exempt from the on-sale provisions) if the securities are in a class of securities that are quoted securities and a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made, or the Shares are issued after the lodgement of a Replacement Prospectus at a time when offers under the Replacement Prospectus are still open for acceptance.

The Company has issued the following Placement Shares (without a disclosure document to investors under Part 6D of the Corporations Act) to investors who are considered sophisticated investors for the purposes of the Corporations Act in the 12 months prior to the date of this Replacement Prospectus, in circumstances where the Company was not able to comply with the section 707 Corporations Act secondary sale provisions, under section 708A of the Corporations Act due to a suspension of the Company's Shares from trading on the ASX:

Date of issue	Number of Shares	Description
27 February 2015	23,600,000	$29,500,000 placement to Oceanwide at $1.25 per share
4 May 2015	4,000,000	$5,000,000 placement to Focus Sun Holdings Limited at $1.25 per share
4 May 2015	1,200,000	$1,500,000 placement to Gao Zhan Ying at $1.25 per share

Date of issue	Number of Shares	Description
4 May 2015	400,000	$500,000 placement to Oceanwide at $1.25 per share
17 November 2015	37,500,000	$30,000,000 placement to Singapore based private investor Rich Lead Investment Pte Limited at $0.80 per share
Total	66,700,000	

The Company notes that none of the above listed Placement Shares have been on-sold and as such, the holders of the Placement Shares referred to in the table above may wish to rely on this Replacement Prospectus and section 708A(11) of the Corporations Act if they wish to on-sell their Placement Shares.

The issue of the Placement Shares was not undertaken by the Company with the purpose of holders of the Placement Shares selling or transferring the Placement Shares. However, the Directors consider that the holders of the Placement Shares should be able to sell the Placement Shares should they wish to do so, without being required to issue a prospectus.

9.8 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance set out in the Corporate Governance Principles and Recommendation, except where disclosed in the corporate governance statement.

The Company has adopted ASX Listing Rule 4.10.3 which allows companies to publish their corporate governance statement on their website rather than in their annual report.

9.9 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last 2 years in:

(a) the formation or promotion of the Company;

(b) property acquired or to be acquired by the Company in connection with:

(1) its formation or promotion; or

(2) the Offer; or

(c) the Offer,

is set out below or elsewhere in this Replacement Prospectus.

Other than as set out below or elsewhere in this Replacement Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

(a) to induce them to become, or to qualify as, a Director of the Company; or

(b) for services provided by a director in connection with:

(1) the formation or promotion of the Company; or

(2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Replacement Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Offer.

Director	Number of Shares[1]	Allocated under the employee share plan	
		No. of Shares	
		Vested	Not Vested
Dr Noel White	-	-	-
Mr Peter Hutchison	1,075,534	291,666	-
Mr Paul Keran	81,666	116,666	-
Mr Zhijun Ma	-	-	-
Mr Hongwei Liu	112,000	100,000	-
Mr Zhaohui Wu	-	-	-
Dr Dianmin Chen	-	-	-

Note:
1. Number of Shares excludes Shares issued under the employee share plan, which are included in subsequent columns

9.10 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past 2 years.

Directors' remuneration for the financial year ended 30 June 2014:

Director	Remuneration ($)	Superannuation ($)	Total ($)
Dr Noel White	N/A	N/A	N/A
Mr Peter Hutchison	708,750	24,996	733,746
Mr Paul Keran	55,000	5,088	60,088
Mr Zhijun Ma	50,000	-	50,000
Mr Hongwei Liu	50,000	-	50,000
Mr Zhaohui Wu	25,000	2,891	27,891
Dr Dianmin Chen	N/A	N/A	N/A

Directors' remuneration for the financial year ended 30 June 2015:

Director	Remuneration ($)	Superannuation ($)	Total ($)
Dr Noel White	N/A	N/A	N/A
Mr Peter Hutchison	648,900	34,996	683,896
Mr Paul Keran	60,000	5,700	65,700
Mr Zhijun Ma	12,500	-	12,500
Mr Hongwei Liu	37,500	-	37,500
Mr Zhaohui Wu	25,000	2,375	27,375
Dr Dianmin Chen	N/A	N/A	N/A

Directors' remuneration for the period from 1 July 2015 to 31 December 2015:

Director	Remuneration ($)	Superannuation ($)	Total ($)
Dr Noel White	N/A	N/A	N/A
Mr Peter Hutchison	324,450	18,496	342,946
Mr Paul Keran	15,000	1,425	16,425
Mr Zhijun Ma	-	-	-
Mr Hongwei Liu	6,250	-	-
Mr Zhaohui Wu	6,250	593.75	6,843.75
Dr Dianmin Chen	N/A	N/A	N/A

For the current financial year, each of the Directors of the Company are entitled to be paid the following remuneration:

Director	Current Remuneration Per Annum (including superannuation)
Dr Noel White	120,000
Mr Peter Hutchison	683,900
Mr Paul Keran	65,700
Mr Zhijun Ma	50,000
Mr Hongwei Liu	50,000
Mr Zhaohui Wu	54,750
Dr Dianmin Chen	54,750

Note: each of the above tables, exclude the value of any securities issued to the Directors in the relevant period under the loan funded employee share plan as approved by shareholders at the Annual General Meeting of CuDeco held on 24 November 2011. Details of these Shares are set out in section 9.9 above.

Any Directors of the Company that are on a committee of the Board are entitled to a further fee of $10,000 per annum for those duties.

The Board considers that these amounts are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.6.

9.11 Substantial Shareholders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Replacement Prospectus:

Substantial Shareholder	Number of Shares	%
China Oceanwide International Investment Co. Limited	54,858,774	17.4
Rich Lead Investment Pte Limited	37,500,000	11.9
New Apex Asia Investment Limited	23,087,206	7.3
Sinosteel Equipment and Engineering Co. Ltd	17,310,144	5.5

On 23 July 2015, Oceanwide, Sinosteel and New Apex each lodged an ASIC Form 604 under section 671B Corporations Act to notify of a change of interest of substantial holders. In that notice, an association between these shareholders was notified as '*discussions have been held in relation to mutual concerns about the financial performance of CuDeco Limited, with the view to the relevant parties proposing to act in concert in relation to CuDeco Limited' affairs (namely the provision of funding to CuDeco Limited). Sinosteel. Oceanwide and New Apex are currently in discussion with CuDeco Limited relating to the potential terms of such funding*". On 7 and 8 December 2015, Oceanwide, New Apex and Sinosteel each lodged an ASIC Form 604 to advise that this association ceased on the signing of the short term loan agreements with the Company on 3 August 2015 and that they no longer act in concert in relation to providing funding or otherwise in connection with the affairs of the Company.

9.12 Underwriting and potential effect on control of the Company

The Underwriter has appointed four companies as Sub-Underwriters. Three of them are Substantial Shareholders of the Company (Oceanwide, New Apex and Rich Lead Investment Pte Limited) and the fourth is an independent party, AM Capital Limited. Under the terms of the Underwriting Agreement, the Sub-Underwriters have agreed to sub-underwrite 100% of any Shortfall, with AM Capital agreeing to take up to 10,000,000 Shares and the balance taken up by the other Sub-Underwriters pro-rata in accordance with their shareholding. On the basis that all Substantial Shareholders have committed to take up their full entitlements and should no other Shareholders take up any of their entitlements this Shortfall may be up to 45,666,609 New Shares.

Eligible Shareholders are entitled to apply for Additional Securities in addition to subscribing for their

full entitlement to New Shares. Those Additional Securities will reduce the Shortfall to be taken up by the Sub-Underwriters.

The following sets out examples of the potential voting interest of the Substantial Shareholders taking into account these sub-underwriting commitments. These examples are based on an assumption that AM Capital sub-underwrites 10,000,000 New Shares and the balance are taken up by the other Sub-Underwriters pro-rata in accordance with their shareholding. However, the final allocation amongst the Sub-Underwriters may change by agreement between the Sub-Underwriters and notified to the Company. It may also change as the final allocation between the Sub-Underwriters is subject to the approval of the Board. The tables below should therefore be treated as examples only.

Scenario 1 – Only Substantial Shareholders accept their Entitlements. The Major Shareholders and AM Capital fully sub-underwrite the balance

	Oceanwide	New Apex	Sinosteel	Rich Lead Pte Ltd	AM Capital	Other Shareholders	Total	Amount raised from the offer
Current shares on issue	54,858,774	23,087,206	17,310,144	37,500,000	-	182,666,435	315,422,559	-
Entitlements accepted	13,714,693	5,771,801	4,327,536	9,375,000	-	0	33,189,030	26,551,224
Underwritten Securities	16,948,416	7,132,707	-	11,585,486	10,000,000	-	45,666,609	36,533,287
Total	85,521,883	35,991,714	21,637,680	58,460,486	10,000,000	182,666,435	394,278,198	63,084,512
% Holding after issue	21.69%	9.13%	5.49%	14.83%	2.54%	46.33%	100.00%	

Scenario 2 – Substantial Shareholders accept their Entitlements and other Shareholders accept 50% of their Entitlements. Major Shareholders and AM Capital fully sub-underwrite the balance

	Oceanwide	New Apex	Sinosteel	Rich Lead Pte Ltd	AM Capital	Other Shareholders	Total	Amount raised from the offer
Current shares on issue	54,858,774	23,087,206	17,310,144	37,500,000	-	182,666,435	315,422,559	-
Entitlements accepted	13,714,693	5,771,801	4,327,536	9,375,000	-	22,833,304	56,022,334	44,817,868
Underwritten Securities	6,098,258	2,566,440	0	4,168,607	10,000,000	-	22,833,305	18,266,644
Total	74,671,725	31,425,447	21,637,680	51,043,607	10,000,000	205,499,739	394,278,198	63,084,512
% Holding after issue	18.94%	7.97%	5.49%	12.95%	2.54%	52.12%	100.00%	

Scenario 3 – Substantial Shareholders and all other Shareholders accept their Entitlements (so that no underwriting is required)

	Oceanwide	New Apex	Sinosteel	Rich Lead Pte Ltd	AM Capital	Other Shareholders	Total	Amount raised from the offer
Current shares on issue	54,858,774	23,087,206	17,310,144	37,500,000		182,666,435	315,422,559	-
Entitlements accepted	13,714,693	5,771,801	4,327,536	9,375,000		45,666,609	78,855,640	63,084,510
Underwritten Securities	-	-	-	-	-	-	-	-
Total	68,573,467	28,859,007	21,637,680	46,875,000	0	228,333,043	394,278,199	63,084,510
% Holding after issue	17.39%	7.32%	5.49%	11.89%	0.00%	57.91%	100.00%	

9.13 Related Party Transactions

From time to time the Company may be party to transactions with related parties including:

(a) employment and service arrangements;

(b) rental agreements; and

(c) payment of directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Replacement Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "'arms length" basis or reasonable remuneration basis.

The Company discloses the following transactions with related parties which have either proceeded on an "'arm's length" or reasonable remuneration basis. The transactions are:

(a) Employment agreement with Mr Peter Hutchison and remuneration payable pursuant to that agreement. Full details of these arrangements are set out in the 2015 Financial Statements. Details of current remuneration are set out section 9.10.

(b) Engagement of Non-executive directors - Mr Keran, Dr White, Mr Ma, Mr Liu, Mr Wu and Dr Chen and payment of directors fees to non-executive directors. Details of current directors' fees are set out section 9.10; and

(c) Issues of Shares were made to Directors pursuant to a loan funded share plan as approved by Shareholders of the Company at its AGM on 24 November 2011. Details of these Shares are set out in sections 1.6 and 9.9. All key employees and consultants are eligible to participate in the Share Plan.

9.14 Interests of Prescribed Persons

Other than as set out below or elsewhere in this Replacement Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or

(c) the Offer of New Shares under this Replacement Prospectus.

Other than that as set out below or elsewhere in this Replacement Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

(a) formation or promotion of the Company; or

(b) offer of New Shares under this Replacement Prospectus.

The Company has engaged Australian-based Paradigm Securities as lead manager and Underwriter. Paradigm Securities have appointed the Sub-Underwriters (some of which are Substantial Shareholders in the Company) as sub-underwriters. Subject to the closing of the Offer and the Acceptance Monies having been received (including for the Shortfall from the Sub-Underwriters), the Company will pay the Underwriter a fee for its management and underwriting obligations of $500,000 and 1 million options (at a strike price of $2.00 with an expiry date 24 months after the date of issue) to be registered into the name of the Underwriter and/or its nominees. The Company will reimburse the Underwriter for all direct costs and reasonable expenses associated with the underwriting. No fee is payable to the Sub-Underwriters.

Moody Legal are acting as solicitors to the Offer and have performed work in relation to the Replacement Prospectus. In doing so, Moody Legal have placed reasonable reliance upon information provided to them by the Company. Moody Legal does not make any statement in this Replacement Prospectus. In respect of this work, the Company estimates that it will pay approximately $90,000 (excluding disbursements and GST). Moody Legal are also engaged from time to time by the Company on a variety of legal matters. Further amounts may be paid to Moody Legal in accordance with its normal charges.

9.15 Limitation on foreign ownership

There are limitations under Australian law on the rights of non-Australian residents to hold or vote the Shares of an Australian company in the *Foreign Acquisitions and Takeovers Act* 1975 (the **FATA**). The FATA has been recently modernised and the new legislation applies from 1 December 2015. The FATA regulates certain acquisitions of substantial interests in Australian companies by 'foreign persons'.

The FATA defines a 'foreign person' as:

- an individual not ordinarily resident in Australia;
- any corporation or a trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest with associates (that is, an interest of at least 20% in the corporation or trust); or
- a corporation or a trustee of a trust in which two or more persons, each of whom is either an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold and aggregate substantial interest with associates (that is, an interest of at least 40% in the corporation; or
- a foreign government,

Acquisitions of interests covered by the FATA may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

The recent introduction of Section 41 of the Foreign Acquisitions and Takeovers Regulation 2015 (Cth), has provided that the acquisition of an interest in securities in an entity (including securities in a land entity) is exempt if the acquisition is under a rights issue. If you are a foreign shareholder you should seek professional advice as to whether you are entitled to the benefit of this exemption.

If the transaction is notifiable under the FATA, the foreign person is prevented from acquiring or entering into an agreement to acquire an interest in an existing Australian corporation without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

The thresholds were increased from 1 December 2015, and a holder is deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 20% of the voting power in the corporation or holds interests in not less than 20% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40 percent of the voting power in that corporation or hold not less than 40 percent of the issued Shares in that corporation.

The modernisation of the FATA has included the imposition of fees for applications and a new offences and civil penalties regime. Further information on the recent amendments to the FATA and its associated legislation can be found at www.firb.gov.au.

The Constitution of the Company contains no limitations on a non-resident's right to hold or vote the Company's Shares.

The information is this section is general in nature and without taking into account your circumstances and structure. Any foreign shareholders or investors should seek independent professional advice to determine whether approval under the FATA or other legislation is required before deciding to invest in the Offer.

9.16 Litigation

A former employee has commenced legal action against the Company for an amount of approximately $340,000 being the alleged loss incurred by the employee as a result of the cancellation of options previously issued to him under the Company's Employee Option Plan. No provision has been made in the financial statements in respect of this claim as the Company considers it will be able to successfully defend the claim.

A claim has been brought by the Company against a supplier of plant and equipment for damages and losses suffered as a result of the plant and equipment not being to the required standard. The claim exceeds $10m. The supplier has lodged a counter-claim where the net liability to the parent company would be approximately $1.78m should the claim be successful and costs awarded. The parent company believes that it will be able to successfully defend the counter-claim and no provision has been made in the financial statements.

Other than the matters detailed above, the Company and its subsidiaries is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company, its subsidiaries or their respective business.

9.17 Subsequent events

There has not arisen, at the date of this Replacement Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Replacement Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

(a) the operations of the Company,

(b) the results of those operations; or

(c) the state of affairs of the Company.

9.18 Privacy

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your Entitlement and Acceptance Form may not be able to be processed.

The Company maintains the register of members of the Company through Advanced Share Registry Ltd, an external service provider. The Company requires Advanced Share Registry Ltd to comply with the National Privacy Principles in performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

(a) when you agree to the disclosure;

(b) when used for the purposes for which it was collected;

(c) when disclosure is required or authorised by law;

(d) to other members in the CuDeco group of companies;

(e) to your broker; and

(f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Advanced Share Registry Ltd, except in limited circumstances. If you wish to access, update or correct your personal information held by Advanced Share Registry Ltd or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

9.19 Expenses of the offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of $680,000 if fully subscribed.

9.20 Consents and disclaimers

Written consents to the issue of this Replacement Prospectus have been given and at the time of this Replacement Prospectus have not been withdrawn by the following parties:

Moody Legal has given and has not withdrawn its consent to be named in this Replacement Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Replacement Prospectus other than references to its name.

Advanced Share Registry Ltd has given and, at the date of this Replacement Prospectus, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. Advanced Share Registry Ltd has had no involvement in the preparation of any part of the Replacement Prospectus other than being named as Share Registry for the Company. Advanced Share Registry Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Replacement Prospectus.

Paradigm Securities has given, and has not withdrawn, its written consent to be named as Lead Manager and Underwriter to the Offer in the form and context in which it is named.

Mining Associates Pty Ltd has given and has not withdrawn its consent to the announcement in Appendix B being included in this Replacement Prospectus and for the inclusion of references to its name in the Replacement Prospectus in the form and context in which it is included.

Australian Mine Design and Development Pty Ltd has given and has not withdrawn its consent to the announcement in Appendix C being included in this Replacement Prospectus and for the inclusion of references to its name in the Replacement Prospectus in the form and context in which it is included.

Mining Associates Limited has given and has not withdrawn its consent to the Extract of the Executive Summary of the Feasibility Study in Appendix D being included in this Replacement Prospectus and for the inclusion of references to its name in the Replacement Prospectus in the form and context in which it is included.

Each of the Sub-Underwriters has given and has not withdrawn its consent to be named in this Replacement Prospectus as a sub-underwriter to the Offer in the form and context in which it is named in that capacity. The Sub-Underwriters (in their capacity as sub-underwriters) take no responsibility

for any part of this Replacement Prospectus other than references to their respective names as sub-underwriters.

9.21 Directors' statement

This Replacement Prospectus is issued by CuDeco Limited. Each Director has consented to the lodgement of this Replacement Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of CuDeco Limited by:

Dr Noel White
Independent Non-executive Chairman
CuDeco Limited

10. Definitions and glossary

Terms and abbreviations used in this Replacement Prospectus have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Monies	The Offer Price multiplied by the number of New Shares accepted
Additional Securities	Has the meaning given in section 1.4
AM Capital	AM Capital Limited of 19f, 8 Lynhurst Terrace, Central, Hong Kong
Applicant	A person who submits an Entitlement and Acceptance Form for all or part of their Entitlement (and any Additional Securities) to the Share Registry or who pays for all or part of their Entitlement (and any Additional Securities) by BPAY®
Application	An application for New Shares and any Additional Securities made by an Applicant completing and returning to the Company's Share Registry an Entitlement and Acceptance Form or paying for those Shares by BPAY®
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
Board	The board of directors of CuDeco
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
Closing Date	The date by which valid acceptances must be received by the Share Registry being 5 pm (Perth time) Tuesday 3 May 2016 or such other date determined by the Board and the Underwriter
Company or CuDeco	CuDeco Limited ACN 000 317 251
Competent Person	Has the meaning given in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendations	Corporate Governance Principles and Recommendations 3rd Edition released by the ASX Corporate Governance Council in 2014 (as may be amended).
Corporations Act	*Corporations Act* 2001 (Cth)

Directors or Board	The board of directors of CuDeco from time to time
Eligible Shareholder	A shareholder of the Company that holds Shares in the Company on the Record Date but who is not an Ineligible Shareholder
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Replacement Prospectus
Entitlements	The entitlement to accept New Shares under this Replacement Prospectus
Feasibility Study	The feasibility study for the Project, the executive summary of which was announced by the Company on 3 March 2016, and an extract of which is included in Appendix D to this Replacement Prospectus
Group	The Company and each of its wholly owned subsidiaries
Half Year Accounts	The Company's interim financial report for the half year ended 31 December 2015 lodged by the Company on 1 April 2016
Ineligible Shareholders	Shareholders having a registered address outside Australia, New Zealand, Singapore, Hong Kong, or the People's Republic of China (or to Shareholders having a registered address in the People's Republic of China who are not qualified domestic institutional investors) and any other Shareholders who are restricted by their local laws from participating in the Offer
Ineligible Shareholder Entitlements	has the meaning set out in section 1.12
Law	The Corporations Act or any relevant and applicable law in Australia
New Apex	New Apex Asia Investment Limited
New Shares	The Shares offered under this Replacement Prospectus
Oceanwide	China Oceanwide International Investment Co. Ltd
Offer	The offer and issue of New Shares in accordance with this Replacement Prospectus
Offer Price	$0.80 for each New Share applied for
Official Quotation	Quotation of the New Shares by the ASX under the ASX Listing Rules
Opening Date	9 am (Perth time) on Wednesday 20 April 2016
Original Prospectus	The prospectus issued by the Company dated and lodged with ASIC on 5 February 2016 and any electronic copy of that prospectus
Paradigm Securities	Paradigm Securities Pty Ltd ABN 95 159 611 060
Placement Shares	Shares issued without a disclosure document under Part 6D of

	the Corporations Act in the 12 months prior to the date of this Replacement Prospectus as set out in section 9.7
Prescribed Person	A person listed in section 711(4) of the Corporations Act, namely any of the following: (a) any directors and proposed directors of the Company; (b) a person named in this Replacement Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Replacement Prospectus; (c) a promotor of the Company; and (d) an underwriter (but not a sub-underwriter) to the issue or sale or a financial services licensee named in the Replacement Prospectus as a financial services licensee involved in the issue or sale.
Process Plant or Plant	the plant for the processing of minerals extracted from the Rocklands Group Copper Project
Record Date	5pm (Perth time) on Friday 15 April 2016
Register	Company Register of CuDeco
Replacement Prospectus	This prospectus dated 8 April 2016 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Rocklands Group Copper Project or Project	The mining project developed by the Company on Mining Leases 90177, 90188 and 90219 near Cloncurry, Queensland and known as the 'Rocklands Group Copper Project'.
SCH	A securities clearing house approved by the ASIC
SCH Business Rules	The business rule of the SCH
Securities	Has the same meaning as in Section 92 of the Corporations Act
SFA	Securities and Futures Act, Chapter 289 of Singapore
Share Registry	Advanced Share Registry Ltd
Shareholders	The holders of Shares from time to time
Shares	The ordinary shares on issue in CuDeco from time to time
Shortfall	Those New Shares for which the Entitlement lapses and any Ineligible Shareholder Entitlements (which may be issued as Additional Securities, to the Underwriters or the Sub-Underwriters or otherwise as set out in this Replacement Prospectus)
Shortfall Facility	means the facility for allocating the Shortfall to Eligible Shareholders, the Underwriters, the Sub-Underwriters and other investors as described in this Replacement Prospectus including

	sections 2.6, 2.7, 2.11 and 2.14
Sinosteel	means Sinosteel Equipment and Engineering Co. Ltd
Substantial Shareholders	The Shareholders who have lodged a substantial shareholder notice under section 671B Corporations Act and who as at the date of this Replacement Prospectus are set out in section 9.11
Sub-Underwriters	Oceanwide, Rich Lead Investment Pte Limited, New Apex and AM Capital
Underwriter	Paradigm Securities Pty Ltd ABN 95 159 611 060 being the underwriter appointed by the Company in respect of the Offer as announced to the market
Underwriting Agreement	The agreement for the appointment of the Underwriter and the Sub-Underwriters by CuDeco
Underwritten Securities	Any New Shares which the Underwriter may take up in respect of the Offer being up to 45,666,609 New Shares (which are fully sub-underwritten by the Sub-Underwriters).

Appendix A

Consolidated statement of profit or loss and other comprehensive income
for the years ended 30 June 2013, 2014 and 2015 and the six months ended 31 December 2015

		Based on Half Year Accounts	Based on Audited accounts		
		For the 6 months ended	For the years ended		
	Notes	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
		$'000	$'000	$'000	$'000
Finance income		**67**	126	641	3,139
Other income		**1**	1	1,624	458
		68	127	2,265	3,597
Expenses					
Depreciation expense		**(449)**	(830)	(772)	(525)
Employee and consultancy expenses		**(2,173)**	(5,643)	(4,534)	(5,519)
Insurance expense		**(62)**	(120)	(174)	(279)
Occupancy expenses		**(487)**	(430)	(594)	(1,045)
Stock exchange and shareholder communication expenses		**(92)**	(383)	(309)	(249)
Travel		**(101)**	(333)	(163)	(531)
Foreign exchange loss		**(3,724)**	(11,792)	-	-
Impairment of mining assets	22	**(17,594)**	(109,000)	-	-
Impairment of logistical infrastructure assets	22	-	(2,914)	-	-
Other		**(1,096)**	(137)	(265)	(270)
Total Expenses		**(25,228)**	(131,582)	(6,811)	(8,418)
Loss from continuing operations before related income tax expense/benefit		**(25,160)**	(131,455)	(4,546)	(4,821)
Income tax benefit	8	**-**	-	-	828
Net loss for the year		**(25,160)**	(131,455)	(4,547)	(3,993)
Other comprehensive income		**-**	-	-	-
Total comprehensive income (loss) for the year		**(25,160)**	(131,455)	(4,547)	(3,993)
		Cents	Cents	Cents	Cents
Earnings per share:					
Basic earnings (loss) per share		(8.8)	(53.7)	(2.1)	(2.1)
Diluted earnings per share		(8.8)	(53.7)	(2.1)	(2.1)

The above financial statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2013, 2014 and 2015 and 31 December 2015

	Notes	Based on Half Year Accounts as at 31 Dec 2015	Based on Audited accounts as at 30 Jun 2015	30 Jun 2014	30 Jun 2013
		$'000	$'000	$'000	$'000
CURRENT ASSETS					
Cash and cash equivalents		**10,746**	3,574	9,231	45,522
Trade and other receivables	9	**946**	636	960	2,135
Inventory	10	**5,001**	5,001	11,141	-
TOTAL CURRENT ASSETS		**16,693**	9,211	21,332	47,657
NON-CURRENT ASSETS					
Inventory	10	**21,260**	18,344	-	2,934
Property, plant and equipment	11	**237,363**	244,808	219,219	147,248
Exploration and evaluation assets	12	**9,291**	9,166	16,627	39,168
Development costs	13	**167,637**	160,335	149,689	90,250
Other assets	14	**7,078**	3,519	2,231	1,985
TOTAL NON-CURRENT ASSETS		**442,629**	436,172	387,766	281,586
TOTAL ASSETS		**459,322**	445,383	409,098	329,243
CURRENT LIABILITIES					
Trade and other payables	15	**39,255**	40,735	7,467	4,830
Loans and borrowings	16	**67,925**	19,589	-	-
Provisions	17	**1,115**	1,375	1,374	172
TOTAL CURRENT LIABILITIES		**108,295**	61,699	8,841	5,002
NON-CURRENT LIABILITIES					
Loans and borrowings	16	**20,531**	58,766	-	-
Provisions	17	**6,267**	6,455	6,286	2,041
TOTAL NON-CURRENT LIABILITIES		**26,798**	65,221	6,286	2,041
TOTAL LIABILITIES		**135,093**	126,920	15,127	7,043
NET ASSETS		**324,229**	318,463	393,971	322,200
EQUITY					
Contributed equity	18	**508,536**	478,535	424,602	367,829
Reserves	20	**59,704**	58,779	56,765	37,221
Accumulated losses		**(244,011)**	(218,851)	(87,396)	(82,851)
TOTAL EQUITY		**324,229**	318,463	393,971	322,200

The above financial statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the period of 1 July 2012 to 31 December 2015

	Contributed Equity	Accumulated Losses	Option Reserve	Capital Realisation Reserve	Capital Redemption Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance – 1 July 2012	311,313	(78,858)	34,647	95	432	267,630
Profit (Loss) for the year	-	(3,993)	-	-	-	(3,993)
Total comprehensive income	-	(3,993)	-	-	-	(3,993)
Shares issued						
To pay for Goods and Services	49,540	-	-	-	-	49,540
Option Conversion	750	-	-	-	-	750
Share Placement	17,250	-	-	-	-	17,250
Share issue costs	(926)	-	-	-	-	(926)
Share based payment expense	-	-	2,047	-	-	2,047
Less Shares transferred to Employee Share Plan	(10,097)	-	-	-	-	(10,097)
Balance – 30 June 2013	**367,829**	**(82,851)**	**36,694**	**95**	**432**	**322,200**
Profit (Loss) for the year	-	(4,547)	-	-	-	(4,546)
Total comprehensive income	-	(4,547)	-	-	-	(4,546)
Shares issued						
To pay for Goods and Services	24,603	-	-	-	-	24,603
Rights issue including issue to underwriters	38,185	-	18,314	-	-	56,499
Share issue costs	(2,092)	-	(925)	-	-	(3,017)
Share based payment expense	-	-	2,155	-	-	2,155
Less Shares transferred to Employee Share Plan	(3,923)	-	-	-	-	(3,923)
Balance - 30 June 2014	**424,602**	**(87,396)**	**56,238**	**95**	**432**	**393,971**
Profit (Loss) for the year	-	(131,455)	-	-	-	(131,455)
Total comprehensive income	-	(131,455)	-	-	-	(131,455)
Shares issued in 2015						
Share Placements	42,653	-	-	-	-	42,653
To pay for Goods and Services	12,776	-	-	-	-	12,776
Share issue costs	(7)	-	-	-	-	(7)
Share based payment expense	-	-	2,014	-	-	2,014
Less Shares transferred to Employee Share Plan	(1,489)	-	-	-	-	(1,489)
Balance - 30 June 2015	**478,535**	**(218,851)**	**58,252**	**95**	**432**	**318,463**
Loss for the six months to 31 December 2015	-	(25,160)	-	-	-	(25,160)
Total comprehensive income	-	(25,160)	-	-	-	(25,160)
Share Issues						
Share Placements	30,000	-	-	-	-	30,000
Option conversion	1	-	-	-	-	1
Share based payment expense			925			925
Balance - 31 December 2015	**508,536**	**(244,011**	**59,177**	**95**	**432**	**324,229**

The above financial statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2013, 2014 and 2015 and the Six Months ended 31 December 2015

	Notes	Based on Half Year Accounts For the 6 months ended 31 Dec 2015 $'000	Based on Audited accounts For the years ended 30 Jun 2015 $'000	 30 Jun 2014 $'000	 30 Jun 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations		**1**	1	18,723	1,465
Payments in the course of operations		**(4,393)**	(5,562)	(23,111)	(10,329)
Interest received		**57**	128	766	3,901
Research and development tax concession		**-**	-	-	828
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	24	**(4,335)**	(5,433)	(3,622)	(4,135)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		**(7, 949)**	(55,702)	(51,443)	(45,439)
Payments for exploration and evaluation assets		**(105)**	(42)	(1,468)	(4,606)
Payments for mine development costs		**(12,674)**	(47,497)	(31,056)	(33,511)
Proceeds from sale of plant and equipment		**-**	191	111	296
Decrease (Increase) in security deposits		**(4,099)**	32	(245)	(1,936)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		**(24,827)**	(103,018)	(84,101)	(85,196)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		**30,001**	42,653	55,575	18,000
Proceeds from loan		**6,333**	62,609	951	-
Cost of on-market share buy-back/employee share plan		**-**	(1,496)	(3,923)	(10,097)
Share issue / buy back costs		**-**	(933)	(2,092)	(926)
NET CASH INFLOWS FROM FINANCING ACTIVITIES		**36,334**	102,833	50,511	6,976
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**7,172**	(5,618)	(37,212)	(82,355)
Cash and cash equivalents at the beginning of the financial year		**3,574**	9,231	45,522	127,442
Effect of foreign exchange rates on cash and cash equivalents		**-**	(39)	921	435
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**10,746**	3,574	9,231	45,522

The above financial statement should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity
CuDeco Limited (the "Company") is a company domiciled in Australia.

The Company's registered office is at Unit 33, Brickworks Annex, 19 Brolga Avenue, Southport Queensland. The consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" or "consolidated entity" and individually "Group companies").

The Group is a for-profit entity and primarily is involved in mineral exploration, evaluation, mine development and construction of the plant and other infrastructure related to the Rocklands Group Copper Project in Cloncurry, Queensland.

2. BASIS OF ACCOUNTING

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(a) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 12 -Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

Note 5 – Going Concern;
Note 10 – Inventory;
Note 11 – Property plant and equipment;
Note 12 – Exploration and evaluation expenditure
Note 13 – Development costs;
Note17 – Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources;
Note 19 – Share-based payment transactions; and
Note 22 – Impairment

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values and is overseen by the CFO.

The CFO regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

Measurement of fair values (continued)
The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
Note 19 – share-based payment arrangements; and
Note 21 – financial instruments.

5. GOING CONCERN

The consolidated financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

Subsequent to year end, the Group announced its intention to complete an underwritten non-renounceable rights issue to raise approximately $63m before costs. In September 2015, the Group received $6m loans from Substantial Shareholders to provide short term funding.

The Group is currently in the process of completing the Rocklands Group Copper Project including mine development, associated infrastructure and commissioning of the processing plant. The Group plans to fund the majority of the remaining capital expenditure through the planned rights issue.

The directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. The cash flow projections assume additional funding of $63m is raised through the conditional rights issue, further $US5 million drawdown from its finance facility and cash flows are generated in the short term through the sale of processed ore. These cash flow projections are based on the successful completion of the mine development, associated infrastructure and commissioning of the Rocklands Group Copper Project mine processing plant, with commercial production expected to commence in 2016.

The ongoing operation of the Group is critically dependent upon:

- The Group raising equity funding from shareholders or other parties; and
- Successful commissioning of the Process Plant in the short term and the Group generating significant positive cash flows from mining activities.

In the event the Group does not raise equity funding from shareholders or other parties and generates significant cash flows from mining activities in the short term, the Group will be required to reduce planned expenditure in-line with available funding and may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

6. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (u)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(v) Investments in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture**.**

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(c) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income Tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

CuDeco Limited and its wholly-owned Australian subsidiaries are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is CuDeco Limited.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Receivables

The collectability of receivables is assessed at balance date and specific provision is made for any doubtful accounts.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Cost is determined on the following basis:-

- Copper and other metals on hand are valued on average total production cost method.
- Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage.
- A proportion of related depreciation and amortisation charge is included in the cost of inventory.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated future selling price in the ordinary course of business, based on the prevailing metal prices, less the estimated costs of completion and estimated costs necessary to make the sale.

(h) Exploration and Evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Consolidated Entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Exploration and Evaluation (continued)

Exploration and evaluation assets are assessed for impairment if:

(i) Sufficient data exists to determine technical feasibility and commercial viability; and

(ii) Facts and circumstances suggest the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

(i) Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Deferred stripping costs

Under AASB Interpretation ("IFRIC") 20, *Stripping Costs in the production Phase of a Surface Mine*, production stripping costs are now capitalised as part of an asset, if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The asset is called "deferred stripping asset". The deferred stripping asset is amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied. Production stripping costs that do not satisfy the asset recognition criteria are expensed.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss or capitalised as development costs. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rates of property, plant and equipment are as follows:

buildings	10%
plant and equipment	20% – 33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Research and Development Expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the product or service is technically feasible, adequate resources are available to complete the project, it is probable that future economic benefits will be generated and expenditure attributable to the project can be measured reliably. The carrying value of development costs is reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired.

(l) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are unsecured and normally settled within 30 days.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Rehabilitation and dismantle costs

The consolidated entity has a constructive obligation under the Environmental Protection Act to rehabilitate areas on mining leases disturbed by mining activities. The consolidated entity calculates its rehabilitation liability to reflect the costs to rehabilitate significantly disturbed land from mining activities, in accordance with the Department of Environmental and Heritage Protection (EHP) Guideline: Financial Assurance under the Environmental Protection Act 1994. Significantly disturbed land is defined in the Environmental Protection Regulation 2008 and refers to land that is contaminated or disturbed and requires human intervention to rehabilitate it.

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the operation of the mine up to reporting date but not yet rehabilitated, as if the mine was shut down at reporting date. Provision has been made for the estimated cost of rehabilitation which includes the current cost of recontouring, topsoiling and revegetation employing current technology while having regard to current legislative requirements. An asset is created as part of the non-current development assets, to the extent that the development relates to future productions activities, which is offset by a current and non-current provision for rehabilitation.

The rehabilitation liability is estimated as part of the preparation of the annual Plan of Operations of each mine which is reviewed by the Department of Natural Resources and Mines as required by the Mineral Resources Act.

Changes in estimates are dealt with on a prospective basis as they arise. Significant uncertainty exists as to the amount of rehabilitation obligations under which will be incurred due to the following factors:

- uncertainty as to the remaining life of existing operating sites; and
- the impact of changes in environmental legislation.

(n) Employee Benefits

The Consolidated Entity's liability for employee benefits arising from services rendered by employees to balance date is accrued. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Issued Capital

Ordinary shares issued are classified as contributed equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-Based Payments

The Company may provide benefits to Directors, employees and suppliers of the Consolidated Entity in the form of share-based payment transactions, whereby Directors, employees and suppliers render services in exchange for shares or options to purchase shares in the Company (equity-settled transactions).There is currently a loan funded share plan and an Employee Option Plan in place to provide these benefits to employees.

The cost of these share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the life of the option, the current price of the underlying instrument, the price volatility of the underlying instrument, the expected dividend yield and the risk-free rate for the life of the option, further details of which are given in Note 19.

The assessed fair value at grant date is recognised as an expense or is capitalised to mine development costs or exploration and evaluation expenditure, together with a corresponding increase in equity, pro rata over the life of the option from grant date to expected vesting date. No amount is recognised for awards that do not ultimately vest because internal vesting conditions were not met. An amount is still recognised for options that do not ultimately vest because a market condition was not met.

Where options are cancelled, they are treated as if they had vested on the date of cancellation, and any unrecognised expenses are immediately recognised. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(q) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(s) Earnings per Share

(i) *Basic Earnings per Share* – Basic earnings per share is determined by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings per Share* – Diluted earnings per share adjusts the figures used in the determination of basic earnings per share for the after tax effect of financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Financial instruments

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial instruments (continued)

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss in equity is reclassified to profit or loss.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(u) Impairment
Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets measured at both an individual asset and a collective level. All individually significant assets are individually assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Impairment (continued)

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

(i) Non-derivative financial assets

Equity-accounted investees
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount**.**

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Government grants

The consolidated entity recognises an unconditional government grant related to research and development expenditure as deferred income and has been offset against mine development costs for the years ended 30 June 2015 and 2014. In 2013 the company recognised the grant as an income tax benefit in the Consolidated Statement of Profit or Loss.

7. OPERATING SEGMENTS

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographical basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level. The consolidated entity does not have any products or services it derives revenue from.

Accordingly, management currently identifies the consolidated entity as having only one reportable segment, being exploration for copper in Australia. There have been no changes in operating segments during the financial year. Accordingly all significant operating decisions are based upon the analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

	2015	2014	2013
	$'000	$'000	$'000
8. INCOME TAX BENEFIT (EXPENSE)			
Reconciliation			
Current Income Tax Expense	**-**	-	-
Deferred Income Tax Expense	**38,855**	1,874	-
Under/Over provision in prior year	**(38,855)**	(1,874)	-
Research and development rebate	**-**	-	828
Total	**-**	-	828
The prima facie income tax profit (loss) is reconciled to the income tax provided in the financial statements as follows:			
The prima facie income tax expense (benefit) (30%) on profit/(loss) before income tax	**(39,437)**	(1,364)	(1,446)
Permanent differences	**285**	359	372
Deferred tax not recognised	**39,152**	1,005	1,075
Research and development rebate	**-**	-	828
Income tax expense/benefit	**-**	-	828
Deferred Tax Balances			
Unused tax losses	**1,810**	27,604	22,284
Temporary differences	**30,093**	6,053	-
	31,903	33,657	22,284
Deferred tax liabilities	**(31,903)**	(33,657)	(22,284)
Assessable temporary differences	**-**	-	-
Net deferred tax recognised	**-**	-	-
Unrecognised deferred tax assets			
Unrecognised tax losses	**140,593**	21,074	14,827
Unrecognised temporary differences	**-**	-	-
Deferred tax assets not taken up at 30%	**42,178**	6,322	4,448

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2015 under COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

(i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;

(ii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the losses.

For the purposes of taxation, CuDeco Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group.

Franking credits
There are no franking credits available to shareholders of CuDeco Limited.

9. TRADE AND OTHER RECEIVABLES	**31 Dec 2015 $'000**	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
Current				
Accrued interest	**15**	5	7	131
GST receivable	**138**	274	519	1,870
Prepayments	**480**	195	320	134
Other receivables	**313**	162	114	-
	946	636	960	2,135

No receivables are past due or impaired at year end.
Terms and conditions relating to the above financial instruments: Trade and sundry debtors are non-interest bearing and generally on 30 day terms.

10. INVENTORIES	**31 Dec 2015 $'000**	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
Current				
Ore stockpiles	**5,001**	5,001	8,705	-
Consumables	**-**	-	1,516	-
Spare parts	**-**	-	920	-
	5,001	5,001	11,141	
Non-current				
Ore stockpiles	**13,342**	10,386	-	2,934
Consumables	**3,068**	4,063	-	-
Spare parts	**4,850**	3,895	-	-
	21,260	18,344	-	-
Total Inventories	**26,261**	23,345	11,141	2,934

Current inventory includes high grade ore stockpiles which are expected to be processed and realised within 12 months on the basis of the successful commissioning of the Process Plant within the planned timeframes. Consumables and spare parts are classified as non-current due to the fact that the current plan for mining operations does not anticipate these items to be consumed within 12 months of balance date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AND YEARS ENDED 30 JUNE 2015, 2014, AND 2013

11. PROPERTY, PLANT AND EQUIPMENT

		31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
		$'000	$'000	$'000	$'000
Land and buildings					
At cost		**15,961**	15,961	15,905	10,305
Accumulated depreciation		**(4,621)**	(3,954)	(2,529)	(1,300)
Impairment loss	**22**	**(2,541)**	(2,773)	-	-
Total land and buildings		**8,799**	9,234	13,376	9,005
Plant and equipment					
At cost		**45,400**	35,232	32,316	32,192
Accumulated depreciation		**(25,181)**	(22,074)	(16,457)	(11,178)
Impairment loss	**22**	**(2,785)**	(3,039)	-	-
Total plant and equipment		**17,434**	10, 119	15,859	21,014
Plant and equipment (work-in-progress)		**284,381**	285,596	189,984	117,228
Impairment loss	**22**	**(73,251)**	(60,627)	-	-
		211,130	224,969	189,984	117,228
Total property, plant and equipment		**237,363**	244,808	219,219	147,248

During 2015 the Consolidated Entity recognised impairment losses of:

- $66 m with respect to the plant and equipment relating to the Rocklands Group Copper Project. Further information about the impairment loss is included in Note 22.
- $2.914 million in relation to logistical infrastructure assets written off.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AND YEARS ENDED 30 JUNE 2015, 2014, AND 2013

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

		31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
		$'000	$'000	$'000	$'000
Reconciliation					
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of each financial period					
Land and buildings					
Carrying amount at the beginning of year		**9,234**	13,376	9,005	6,897
Additions during the year		**-**	56	4,023	2,908
Disposals during the year		**-**	-	(14)	-
Depreciation for the year		**(435)**	(1,425)	(1,133)	(800)
Reclassification of assets		**-**	-	1,495	-
Provision for impairment	**22**	**-**	(2,773)	-	-
Carrying amount at the end of the year		**8,799**	9,234	13,376	9,005
Plant and equipment					
Carrying amount at the beginning of year		**10,119**	15,859	21,014	12,184
Additions during the year		**1,358**	2,393	1,750	9,063
Equipment transferred from plant and equipment being commissioned		**8,811**	713	1,096	5,013
Disposals		**-**	(191)	(49)	(274)
Depreciation charged		**(3,107)**	(5,616)	(5,376)	(4,971)
Reclassification of assets		**-**	-	(2,576)	-
Provision for impairment	**22**	**-**	(3,039)	-	-
Carrying amount at the end of the year		**17, 434**	10,119	15,859	21,015
Plant and Equipment (work in progress)					
Carrying amount at the beginning of year		224,969	189,984	117,229	39,234
Additions during the year		**7,596**	101,223	72,770	83,007
Equipment transferred to plant and equipment		**(8,811)**	(713)	(1,096)	(5,013)
Reclassification of assets		**-**	-	1,081	-
Equipment transferred to development costs		**-**	(1,984)	-	-
Impairment of logistical infrastructure assets		**-**	(2,914)	-	-
Provision for impairment – processing plant		**(12,624)**	(60,627)	-	-
Carrying amount at the end of the year		**211,130**	224,969	189,984	117,228
Totals		**237,363**	244,808	219,219	147,248

	31 Dec 2015 $'000	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
12. EXPLORATION AND EVALUATION ASSETS				
Costs carried forward in respect of areas of interest in exploration and/or evaluation phase:				
Balance at the beginning of the year	**9,166**	16,627	39,168	31,190
Exploration costs incurred	**125**	177	1,624	5,724
Depreciation capitalised to exploration and evaluation assets	**-**	-	-	2,254
Transferred to development costs	**-**	(7,638)	(24,165)	-
	9,291	9,166	16,627	39,168

The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

13. DEVELOPMENT COSTS

Costs carried forward in respect of areas of interest in the development phase:				
Balance at the beginning of the year	**160,335**	149,689	90,250	51,962
Development costs incurred	**8,808**	39,760	29,537	35,295
Depreciation capitalised to development costs	**3,464**	6,295	5,737	2,993
Transferred from exploration and evaluation assets	**-**	7,638	24,165	-
Provision for impairment	**(4,970)**	(43,047)	-	-
	167,637	160,335	149,689	90,250

The development costs relate to the Rocklands Group Copper Project. The ultimate recoupment of costs carried forward for the development phases is dependent on the successful development and commercial exploitation or sale of the Rocklands Group Copper Project. To date there has been no amortisation of the costs as production has not commenced.

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
	$'000	$'000	$'000	$'000
14. Other Assets				
Non-current				
Security deposits	**6,298**	2,199	2,231	1,985
Borrowing expenses	**780**	1,320	-	-
	7,078	3,519	2,231	1,985

Included in the Security deposits is $1,922,464 for an environmental bond with the State of Queensland against rehabilitation attributable to mining operations at Rocklands Group Copper Project.

15. TRADE AND OTHER PAYABLES

Current				
Unsecured liabilities:				
Trade creditors	**1,153**	2,536	4,322	3,356
Sundry creditors and accrued expenses	**807**	1,292	3,145	648
Amounts payable under the construction contracts	**37,295**	36,907	-	-
	39,255	40,735	7,467	4,004

Terms and conditions relating to the above financial instruments:
- Trade and sundry creditors are non-interest bearing and are normally settled on 30 day terms.
- The amounts payable under the construction contract are non-interest bearing and the supplier has agreed to accept a deferred settlement until production commences.
- The loans from shareholders are interest bearing and will be repayable over the ensuing 12 months ($4 million to be repaid from the proceeds of a capital raising and the balance from production)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AND YEARS ENDED 30 JUNE 2015, 2014, AND 2013

	31 Dec 2015 $'000	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
16. LOANS AND BORROWINGS				
Current				
Secured bank loans	**61,592**	19,589	-	-
Loans from shareholders	**6,333**	-	-	-
	67,925	19,589	-	-
Non-current				
Secured bank loans	**20,531**	58,766	-	-
Total secured bank loans	**88,456**	78,355	-	-

The Group has secured two finance facilities from the China Minsheng Banking Corporation Limited (secured bank loans). These facilities include;

- Facility A – US$60m facility for construction costs; and
- Facility B – US$5m to assist with working capital requirements post commissioning of the Process Plant.

As at the date of this Replacement Prospectus, both of facilities have been fully drawn. These facilities are to be repaid as follows:

- Facility A
  - 31 October 2016 – repayment of $US20 Million
  - 31 January 2017 – repayment of $US40 Million
- Facility B - to be repaid by 31 January 2017

Both facilities are secured by registered security interests over the assets of the Group.

The interest rate payable on both facilities is the aggregate of LIBOR for three months plus 3.50% margin plus 2% management fee.

17. PROVISIONS				
Current				
Annual leave provision	**927**	1,186	1,087	826
Long service leave provision	**188**	189	287	172
	1,115	1,375	1,374	998
Non-current				
Long service leave provision	**21**	209	40	119
Rehabilitation provision (a)	**6,246**	6,246	6,246	1,922
	6,267	6,455	6,286	2,041

(a) Land disturbed by mining activities is required to be restored to its original condition. Because of the long-term nature of the liability, the biggest uncertainty in estimating the provision is the future costs that will be incurred. The Group has assumed that the site will be restored using technology and materials that are available currently.

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
	$'000	$'000	$'000	$'000
18. CONTRIBUTED EQUITY				
Issued and paid-up share capital	**508,536**	478,535	424,602	367,829
	No.	**No.**	**No.**	**No.**
Ordinary fully paid shares on issue	**308,714,491**	271,214,099	229,486,354	201,200,722

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

(a) Ordinary Shares

Movements in ordinary share capital over the past two years were as follows:

Date	Details	Number of Shares	Issue Price	$'000
1 July 2012	**Opening Balance**	**187,043,961**		**311,312**
September/October 2012	Option conversion	300,000	$2.50	750
12 December 2012	Share placement	600,000	$3.90	2,340
15 February 2013	Placement for acquisition of plant and equipment	3,333,333	$3.90	13,000
15 February 2013	Placement for acquisition of plant and equipment	7,600,000	$4.50	34,200
4 June 2013	Share placement	5,000,000	$3.45	17,250
July 2013 to June 2014	Shares acquired for the loan funded share plan	(2,676,572)	$3.77	(10,097)
	Share issue costs / cancellation costs	-		(926)
30 June 2013	**Closing Balance**	**201,200,722**		**367,829**
5 July 2014	Placement for acquisition of plant and equipment	139,880	$2.60	364
19 December 2013	Share Issue pursuant to rights issue	2,599,423	$1.69	4,392
24 December 2013	Placement for acquisition of plant and equipment	6,376,811	$3.45	22,000
24 December 2013	Placement for acquisition of plant and equipment	20,000	$1.90	38
6 January 2014	Issue to Underwriters of Rights Issue	20,000,000	$1.69	33,792
12 February 2014	Placement for acquisition of plant and equipment	20,000	$1.50	30
8 April 2014	Placement for acquisition of plant and equipment	550,000	$2.00	1,100
24 June 2014	Placement for acquisition of plant and equipment	535,852	$2.00	1,072
July 2013 to June 2014	Shares acquired for the loan funded share plan	(1,956,334)	$2.01	(3,923)
	Share issue costs / cancellation costs	-		(2,092)
30 June 2014	**Closing Balance**	**229,486,354**		**424,602**
8 August 2014	Placement for acquisition of plant and equipment	305,883	$2.00	612
17 December 2014	Placement for acquisition of plant and equipment	294,118	$1.70	500
22 December 2014	Placement for acquisition of plant and equipment	2,433,830	$1.30	3,164
22 December 2014	Share placement	4,902,410	$1.255	6,153
31 January 2015	Placement for acquisition of plant and equipment	5,666,666	$1.50	8,500
27 February 2015	Share placement	23,600,000	$1.25	29,500
4 May 2015	Share placement	5,600,000	$1.25	7,000
July 2014 to June 2015	Shares acquired for the loan funded share plan	(1,075,162)	$1.39	(1,489)
	Share issue costs / cancellation costs	-		(7)
30 June 2015	**Closing Balance**	**271,214,099**		**478,535**
18 November 2015	Share placement	37,500,000		30,000
31 December 2015	Option Conversion	392		1
31 December 2015	**Closing Balance**	**308,714,491**		**508,536**

18. CONTRIBUTED EQUITY (continued)

(b) Share Options

Listed Options
In December 2013 the Company undertook a Rights Issue and pursuant to this issue, granted options that were listed. These options expired on 31 December 2015. Details of the options exercised and expired is as per the following table.

Exercise Period	Exercise Price	Options Issued 19 December 2013	Options Exercised 31 December 2015	Options Expired/ Forfeited 31 December 2015	Closing Balance 31 December 2015
		Number	*Number*	*Number*	*Number*
31/12/2015	$2.50	22,599,423	(392)	(22,599,031)	-
		22,599,423	(392)	(22,599,031)	-

None of the options had any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up.

The fair value of options issued under the rights issue were estimated as at the date of grant based on the share price at the date of announcement of the rights issue. The fair value of $0.81 per option was calculated using a Black – Scholes model and based on the conversion price of $2.50 per right and the share price of $1.69.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Unlisted Options
The Company has during the period of this report had unlisted options on issue as summarised in the table below:-

Exercise Period	Exercise Price	Opening Balance 1 July 2013	Options Issued	Options Exercised 2013/2014	Options Expired/ Forfeited 2013/2014/ 2015	Closing Balance 31 December 2015
		Number	*Number*	*Number*	*Number*	*Number*
31/07/2010 - 31/07/2013	$4.00	2,150,000	-	-	2,150,000	-
31/07/2010 - 31/07/2013	$4.50	200,000	-	-	200,000	-
On or before 31/12/2013	$6.50	2,700,000	-	-	2,700,000	-
22/02/2011 - 22/02/2014	$4.50	100,000	-	-	100,000	-
15/12/2013 - 15/09/2014	$2.50	600,000	-	(200,000)	400,000	-
15/09/2011 - 15/09/2014	$2.50	325,000	-	(100,000)	225,000	-
		6,075,000	-	(300,000)	5,150,000	625,000

19. SHARE BASED PAYMENTS

Loan Funded Share Plan

In November 2011, the Company sought, and was granted, approval for setting up of Loan Funded Employee Share Plan ("Share Plan"). The Plan allows Directors from time to time to invite eligible employees to participate in the Share Plan and offer shares to those eligible persons. The Share Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees to participate directly in the equity of the Company. The participant will be provided with an interest free, non-recourse loan for the consideration payable for the shares. The vesting of the shares will be subject to performance or service conditions as determined by the Board. The shares allocated to employees under the Share Plan are held in trust for eligible persons as security for the loans. There are no cash settlement alternatives.

The following shares were issued under the Share Plan

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
No of Shares Issue	-	1,625,000	2,295,417	1,619,072

Details for the shares issue is summarised in the table below:-

				Vesting Details					
				First Tranche		**Second Tranche**		**Third Tranche**	
Options Issued	**Exercise price**	**No. of options vested**	**No. of options not vested**	**Vesting date**	**No. Vesting**	**Vesting date**	**No. Vesting**	**Vesting date**	**No. Vesting**
To Directors									
- December 2011	$3.60	800,000	-	-	-	-	-	-	-
- December 2013	$1.86	100,000	-	-	-	-	-	-	-
To employees									
- June 2012	$3.14	200,000	-	-	-	-	-	-	-
- November 2012	$3.93	-	1,619,072	31/03/2016	809,536	30/06/2017	809,536	-	-
- June 2013	$3.93	-	100,000	31/03/2016	50,000	30/06/2017	50,000	-	-
- July 2013	$1.80	-	1,087,500	31/03/2016	543,750	30/06/2017	543,750	-	-
- April 2014	$1.90	-	1,207,917	31/03/2016	603,959	30/06/2017	603,958	-	-
- July 2014	$1.73	-	175,000	31/03/2016	25,000	30/06/2016	50,000	04/07/2016	100,000
- June 2015	$1.24	-	1,450,000	31/03/2016	725,000	31/03/2017	725,000	-	-
Additional Options issued as a result of the Rights Issue									
To Directors	$2.50	150,000	-	-	-	-	-	-	-
To employees	$2.50	33,333	467,762	31/03/2016	233,881	30/06/2017	233,881	-	-

For accounting purposes shares pursuant to the Share plan will be treated and valued as options, and the fair value of the options granted under the Plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which they were granted. The value of the options is allocated over their vesting period as part of the remuneration of the individual they relate. The following is a summary of the allocation of these values as share based payments:-

	2015	2014	2013
	$'000	$'000	$'000
Share based payment included as an expense	**945**	1,169	1,009
Share based payments capitalised to exploration and evaluation asset	**120**	155	379
Share based payments capitalised to mine development expenditure	**949**	831	659
Total share based payments for the year	**2,014**	2,155	2,047

		31 Dec 2015 $'000	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
20.	**RESERVES**				
	Capital Realisation	**95**	95	95	95
	Capital Redemptions	**432**	432	432	432
	Option [(a)]	**58,252**	58,252	56,238	36,694
		58,779	58,779	56,765	37,221
	[(a)] Movement during the year – Option Reserve				
	Opening balance	**58,252**	56,238	36,694	34,647
	Issue of options to directors/employees /consultants	**-**	2,014	2,155	2,047
	Value of options issued pursuant to rights issue	**-**	-	18,314	-
	Costs of rights issue allocated to options	**-**	-	(925)	-
	Closing balance	**58,252**	58,252	56,238	36,694

Option Reserve
The option reserve is used to record the fair value of options issued but not exercised.

21. FINANCIAL INSTRUMENT DISCLOSURES

To ensure a prudent approach to risk management the Consolidated Entity's exposure to the following key risks have been assessed where applicable; market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks.

The Groups financial assets and liabilities primarily comprise:

	31 Dec 2015 $'000	30 Jun 2015 $'000	30 Jun 2014 $'000	30 Jun 2013 $'000
Cash and cash equivalents	**10,747**	3,574	9,231	45,522
Other assets – security deposits	**6,246**	2,199	2,231	1,986
Trade and other receivables	**1,072**	636	3,191	2,135
Total Assets	**18,065**	6,409	14,653	49,643
Secured bank loans	**82,122**	78,355	-	-
Trade and other payables	**40,127**	40,735	7,467	4,004
Total Liabilities	**122,249**	119,090	7,467	4,004

21. FINANCIAL INSTRUMENT DISCLOSURES (continued)

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk other than interest rate risk and foreign exchange risk.

(i) Interest rate risk

The Consolidated Entity's exposure to the risk of changes in market interest rate relates primarily to the Consolidated Entity's secured bank loans although through its cash deposits it is also exposed to a lesser extent to changes in interest rates.

For the secured bank loans the loans are fixed against the movement in the LIBOR (London Interbank Offered Rate) and as such the Consolidated Entity remains exposed to changes in this rate.

For cash deposits the Consolidated Entity has fixed interest term deposit facilities with a secure banking institution to maximise its interest income from surplus cash. The Consolidated Entity holds working capital in transaction accounts at variable interest rates.

Fixed interest term deposit accounts have been included in the sensitivity analysis as they generally mature within a 1 - 3 month period. A change of 100 basis points (100bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for last year except there were no bank loans in place at 30 June 2014.

		Profit or (Loss)		Equity	
	Carrying Amount $'000	100bps increase $'000	100bps decrease $'000	100bps increase $'000	100bps decrease $'000
31 December 2015					
Cash and cash equivalents	10,747	107	(107)	107	(107)
Total increase / (decrease)					
Bank Loans	82,122	(821)	821	(821)	821
Total increase / (decrease					
30 June 2015					
Cash and cash equivalents	3,574	36	(36)	36	(36)
Total increase / (decrease)		36	(36)	36	(36)
Bank Loans	78,355	(783)	783	(783)	783
Total increase / (decrease		(783)	783	(783)	783
30 June 2014					
Cash and cash equivalents	9,231	92	(92)	92	(92)
Total increase / (decrease)		92	(92)	92	(92)
30 June 2014					
Cash and cash equivalents	45,522	455	(455)	455	(455)
Total increase / (decrease)		455	(455)	455	(455)

21. FINANCIAL INSTRUMENT DISCLOSURES (continued)

(ii) Foreign exchange risk

The Consolidated Entity is exposed to foreign currency fluctuations risks. This arises from cash held in US dollars and Loan Borrowings in US dollars. The funds held in US dollars were acquired when the Consolidated Entity made commitments to acquire plant and equipment which was priced in this currency. The Directors at the time believed that the rate at which the US dollars were acquired was favourable and limited the Consolidated Entity to any additional risk to foreign exchange fluctuations.

The Loans and Borrowings are in US dollars. The company once it achieves production will be selling a commodity in US dollars and therefore this provides a natural hedge against movements in the US dollar currency.

A change of 1 cent in the US Dollar equivalent of an Australian dollar exchange rate at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts disclosed below are the Australian dollar equivalents.

		Profit or (Loss)		Equity	
	Carrying Amount $'000 (AUD)	1 cent US increase $'000 (AUD)	1 cent US decrease $'000 (AUD)	1 cent US increase $'000 (AUD)	1 cent US decrease $'000 (AUD)
31 December 2015					
Cash and cash equivalents	3	-	-	-	-
Loans and borrowings	82,122	1,124	(1,124)	1,124	(1,124)
Total increase / (decrease)		1,124	(1,124)	1,124	(1,124)
30 June 2015					
Cash and cash equivalents	164	(2)	2	(2)	2
Loans and borrowings	78,355	1,023	(1,023)	1,023	(1,023)
Total increase / (decrease)		1,021	(1,021)	1,021	(1,021)
30 June 2014					
Cash and cash equivalents	7,920	(84)	84	(84)	84
Total increase / (decrease)		(84)	84	(84)	84
30 June 2013					
Cash and cash equivalents	2,387	(21)	21	(21)	21
Total increase / (decrease)		(21)	21	(21)	21

The following significant exchange rates applied during the year:

	Average rate				Reporting date spot rate			
	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
AUD/USD	0.7306	0.8291	0.9179	1.0269	0.7235	0.7657	0.9040	0.9312

21. FINANCIAL INSTRUMENT DISCLOSURES (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash on deposit.

(i) Cash on deposit

The Consolidated Entity limits its exposure to credit risk by only depositing its funds with reputable financial institutions. Cash at year end was deposited with National Australia Bank.

(ii) Receivables

As the Consolidated Entity has not commenced production, it does not have trade receivables and therefore is not exposed to material credit risk in relation to trade receivables.

The Consolidated Entity's maximum exposure to credit risk is the carrying amount of its financial assets as disclosed in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity currently has secured bank loans.

The Consolidated Entity aims to manage liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and it aims to repay the bank loan from its expected revenue from production within the next two years.

Due to the nature of the Consolidated Entity's activities and the present lack of operating revenue, the Consolidated Entity has to raise additional capital from time to time in order to fund its exploration and development activities. The decision on how and when the Consolidated Entity will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

At the reporting date the contractual maturity of trade and other payables are all less than 12 months. The Bank Loans are to be repaid quarterly and the timing for the repayments coinciding with the Company entering into production. The first repayment is due in May 2016 and it is to be fully repaid over the ensuing 9 Months by the payment of quarterly instalments.

(d) Capital Management

The capital structure of the Company consists of contributed equity and reserves less accumulated losses.

Management controls the capital of the Company in order to ensure that the Company can fund its operations on an efficient and timely basis and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's cash projections up to twelve months in the future and any associated financial risks. Management will adjust the Company's capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

21. FINANCIAL INSTRUMENT DISCLOSURES (continued)

(e) Measurement of fair values

The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values or the instruments have variable interest rates.

(f) Finance facilities

During the year ended 30 June 2015 the Group completed its drawdown of its finance facility with the China Minsheng Banking Corporation for $US60m. The balance of the facility of $US5 was drawn subsequent to year end.

22. IMPAIRMENT OF ASSETS

Property plant and equipment and development costs

In assessing the value of the assets relating to the Rocklands Group Copper Project, the Company have assessed the recoverable amount at 30 June 2015 using a discounted cash flow model. The key assumptions to which the model is most sensitive include:

- Forecast commodity prices, including copper, gold, silver, cobalt and magnetite
- Foreign exchange rates
- Mining, processing, administrative and capital costs
- Discount rate of 10%

In determining the value assigned to each key assumption, management has used external sources of information and utilised external consultants where possible and personnel within the Group to arrive at conservative assumptions.

Furthermore, the Group's cash flow forecasts are based on estimates of future commodity prices and exchange rates. The Group has reviewed long term forecast data from multiple externally verifiable sources when determining its forecasts, making adjustments for specific factors relating to the Group. Copper prices used in the model range from $3.40 to $3.90 per pound.

Production and capital costs are based on the Group's estimate of the forecast grade of its resource and future production levels. This information is obtained from internally maintained budgets, life of mine models and project evaluations performed by the Group in its ordinary course of business.

The Group has applied a discount rate of 10% to the forecast future attributable post-tax cash flows. This discount rate represents an estimate of the rate the market would apply having regard to the time value of money and the risk specific to the project.

The recoverable amount has been determined based on the life of mine of 10 years. This is calculated based on the Group's existing resource statement and its existing mine plan.

Based on the impairment review at 30 June 2015, the recoverable amount for the Rocklands Group Copper Project was estimated to be $405 million, which results in an impairment loss of $109 million.

The main factors that the Company believes contributed to this loss as at 30 June 2015 include: -

a. A general negative outlook for the Australian mining industry requires the Company to adopt a conservative approach;

b. Declines in commodity prices (copper and cobalt in particular), and a general far more bearish outlook by the market suggests an expected reduction in revenues to be generated from the project;

22. IMPAIRMENT OF ASSETS (continued)

c. The fall in the price of cobalt since the decision to include a recovery circuit in the Process Plant has been significant. However the Company has an offtake agreement for 60% of this product and there are promising sales negotiations for the remainder in progress. The valuation assumes that cobalt/pyrite produced will be able to be sold; and

d. Significant delays in the completion of the construction phase have increased the costs incurred on the Project.

The impairment loss is allocated on a pro rata basis to the individual assets constituting the project as follows.

	Notes	**31 Dec 2015**	30 Jun 2015	30 Jun 2014	30 Jun 2013
		$'000	$'000	$'000	$'000
Development costs	13	**-**	37,031	-	-
Property plant and equipment.	11	**-**	71,969	-	-
		-	109,000	-	-

In addition to the above, the Company impaired its logistical infrastructure assets associated with the multi-load facility resulting in an impairment of approximately $2.914 million in the year ended 30 June 2015.

23. CONTROLLED ENTITIES

Particulars in relation to controlled entities

	Incorporated in	**Interest held %**			
Name of Chief Entity		**31 Dec 2015**	30 Jun 2015	30 Jun 2014	30 Jun 2013
CuDeco Limited	Australia	**%**	**%**	**%**	**%**
Controlled Entities Consolidated					
Cloncurry Infrastructure Pty Ltd	Australia	100	100	100	100
CuDeco Logistics Pty Ltd	Australia	100	100	100	100
CuDeco Employee Share Plan Pty Ltd	Australia	100	100	100	100

24. NOTES TO THE STATEMENT CASH FLOWS

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
Reconciliation of profit after income tax to net cash inflows from operating activities	**$'000**	$'000	$'000	$'000
Loss after income tax	**(7,241)**	(131,455)	(4,546)	(3,993)
Add/(less) non-cash items				
Share based payments	**-**	946	1,169	1,009
Impairment of mining assets	**-**	109,000	-	-
Impairment of logistical infrastructure assets	**-**	2,874	-	-
(Profit) loss on sale of assets	**(1)**	40	(48)	(21)
Depreciation expense	**559**	830	772	524
Unrealised foreign exchange (gain) loss	**3,767**	11,792	(921)	(435)
(Increase) / decrease in trade and other receivables	**(10)**	2	94	306
(Increase) / decrease in inventories	**-**	-	-	(2,934)
Increase / (decrease) in trade creditors and accruals	**(1,043)**	365	(338)	1,098
Increase / (decrease) in provisions	**(136)**	170	196	311
Cash outflows from operations	**(4,105)**	(5,436)	(3,622)	(4,135)

25. COMMITMENTS

Mineral Tenement

Mining Leases

In order to maintain current rights of tenure to its mining leases, the Consolidated Entity will be required to outlay amounts of approximately $2,570 per annum on an ongoing basis in respect of tenement lease rentals, rates and other costs of keeping tenure. The annual expenditure commitment is $10,000. These obligations are expected to be fulfilled in the normal course of operations by the Consolidated Entity.

The Department of Environment and Heritage Protection ("DEHP") requires the company to provide security for the rehabilitation of the mine site at the end of the mining operations. The company has fully provided for the future Rehabilitation liability as determined by DEHP and is required to pay a further $4.3 million to secure a bank guarantee to be provided by the consolidated entity to DEHP as security for the rehabilitation liability.

EPMs

The Consolidated Entity also has commitments to conduct exploration activities on its exploration permits (EPMs) as a condition of maintaining the EPMs. The requirement under the EPMs is for an expenditure of $1.548m over five years in total.

Native Title

Under the Native Title Agreements concluded, the Company is committed to making certain payments including:

1) Annual administration payments of $30,000;
2) $50,000 on commencement of production of minerals from the mining lease areas; and
3) Annual payment of a total of 0.3368% of the value of minerals sold from the mining lease areas.

Operating lease commitments – Consolidated Entity as Lessee

The Consolidated Entity has entered into rental agreements for premises in Cloncurry and Southport. These leases have an average life of up to three years. One option of five (5) years is included in all current contracts. There are no restrictions placed upon the lessee in entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
	$'000	$'000	$'000	$'000
Within one year	**620**	647	667	479
After one year but not more than five years	**-**	542	1,111	752
More than five years	**-**	-	-	-
	620	1,189	1,778	1,231

Mining plant and mine development

The Consolidated Entity has entered into a number of contracts relating to the Process Plant components and structures for its Rocklands Group Copper Project. As at 31 December 2015 the only remaining contractual commitment related to the electrical installation contract. The total contract sum was $30 million and progress payment of $5 million was paid. The balance of this commitment will fall due within 12 months of balance date.

26. CONTINGENCIES

There were no contingent liabilities or contingent assets as at 31 December 2015 other than: -

a. A former employee has commenced legal action against the parent company for an amount of approximately $340,000 being the alleged loss incurred by the employee as a result of the cancellation of options previously issued to him under the Company's Employee Option Plan. No provision has been made in the financial statements in respect of this claim as the parent company considers it will be able to successfully defend the claim.

b. A claim has been brought by the parent company against a supplier of plant and equipment for damages and losses suffered as a result of the plant and equipment not being to the required standard. The claim exceeds $10m. The supplier has lodged a counter claim where the net liability to the parent company would be approximately $1.78m should the claim be successful and costs awarded. The parent company believes that it will be able to successfully defend the counter claim and no provision has been made in the financial statements.

27. KEY MANAGEMENT PERSONNEL

The key management personnel ("KMP") compensation is as follows:

	31 Dec 2015	30 Jun 2015	30 Jun 2014	30 Jun 2013
	$'000	$'000	$'000	$'000
Short-term employee benefits	**1,524**	2,473	2,702	2,342
Post-employment benefits (superannuation)	**67**	137	137	101
Share-based payments	**-**	205	614	930
Other long term benefits	**1**	46	27	-
	1,592	2,861	3,480	3,373

28. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years, other than David Taylor resignation as Non-executive interim Chairman in January 2016 and the appointment of Dr Noel White as the new Chairman of the Company.

Appendix B

ASX Announcement made by the Company on 29 November 2013 (‘Updated Resources 2013)

LIMITED CUDECO
THE NEW FORCE IN COPPER

ACN. 000 317 251

Time lodged with ASX: 08.55am (Brisbane)

MARKET RELEASE

29th November 2013

ROCKLANDS COPPER PROJECT (CDU 100%)

ROCKLANDS RESOURCE UPDATE 2013

An updated Resource Estimate reported according to the Joint Ore Reserves Committee (JORC) Code 2012 and Guidelines, has been completed. The primary focus of the resource update is to upgrade the current 30Mt copper, cobalt, gold and magnetite resource that will sustain mining operations at Rocklands at a production rate of 3 million tonnes per annum.

Measured and Indicated Resource (open pitable)

30Mt @ 1.90% CuEq

(1.3 billion pounds CuEq - using 0.80% CuCoAu cut-off)

The secondary focus was to define resources with sufficient confidence that support studies into a planned Stage-2 expanded operation, producing up to 10 million tonnes per annum.

Measured and Indicated Resource (open pitable)

181Mt @ 0.8% CuEq

(3.3 billion pounds CuEq)

In addition to the above copper, cobalt, gold and magnetite resources, a new and separate magnetite resource has been defined and will be included in future mine planning.

New and Separate Inferred Magnetite Resources (open pitable)

330Mt @ 14% Magnetite

(47 million tonnes of magnetite grading 62% Fe* - using 10% magnetite cut-off)

Including

100Mt @ 20% Magnetite

(20 million tonnes of magnetite grading 62% Fe* - using 15% magnetite cut-off)

** Fe grades based on average of results from 2013 DTR programme - see resource notes for full details.*

See full details of resource attached to this document...

Unit 34, Brickworks Annex,19 Brolga Avenue, SOUTHPORT 4215

Phone: +617 5503 1955 Facsimile: +617 5503 0288 Email: admin@cudeco.com.au

RESOURCE ESTIMATES FOR ROCKLANDS GROUP COPPER PROJECT USING VARIOUS CUT-OFF GRADES

Using 0.2% CuCoAu cut-off;

Total Measured, Indicated and Inferred Resource (open pitable)

272Mt @ 0.7% CuEq

(4.2 billion pounds CuEq)

Using 0.40 CuCoAu cut-off;

Measured, Indicated and Inferred Resource (open pitable)

96Mt @ 1.1% CuEq

(2.2 billion pounds CuEq)

Including

Measured and Indicated Resource (open pitable)

84Mt @ 1.1% CuEq

(2.1 billion pounds CuEq)

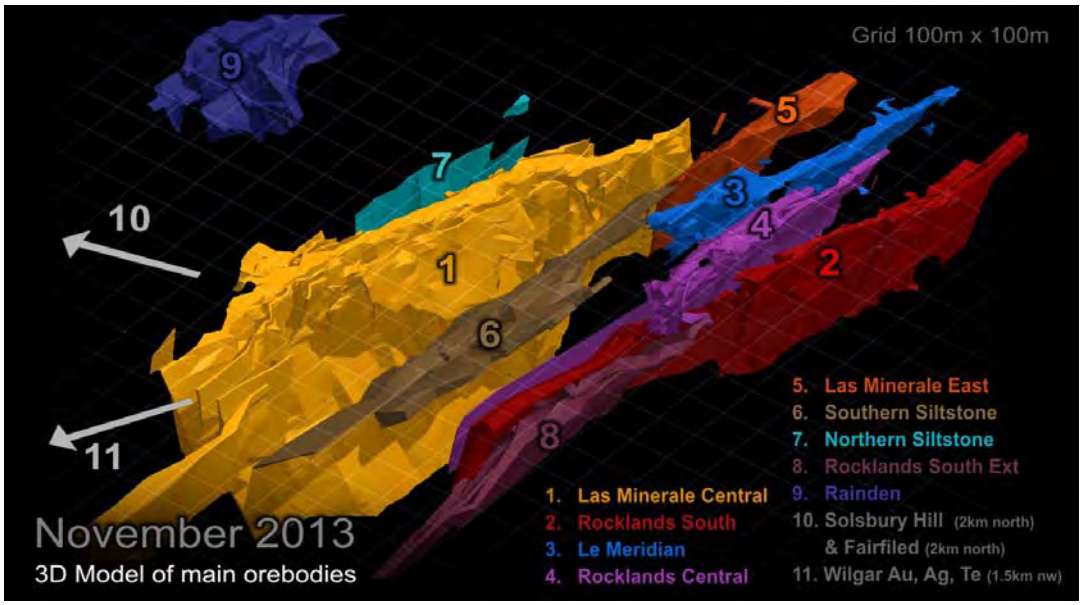


Figure 1: 3D-model of November 2013 Cu-Co-Au +mag resource - the main orebodies have been colour-coded and referenced.

See full details of resource attached to this document...

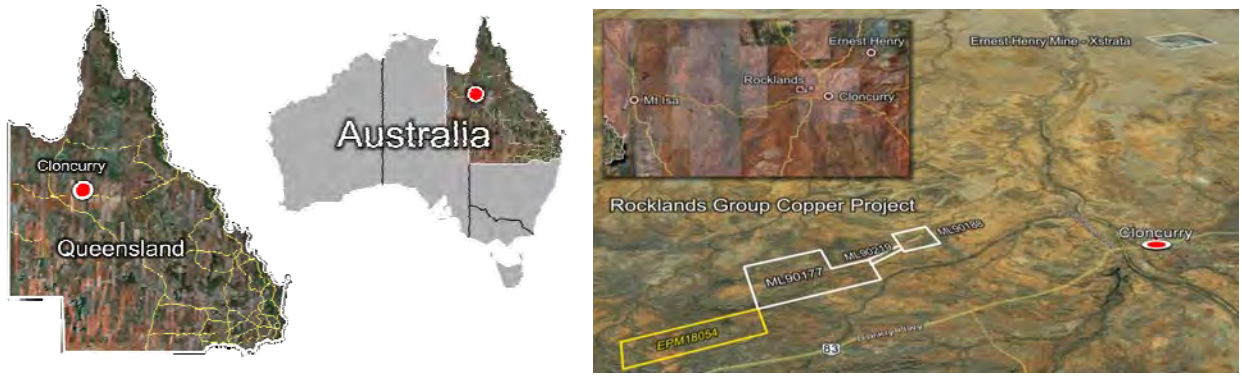


Figure 2: Rocklands is located just 15km west of the north-west Queensland Regional Township of Cloncurry, has access to all required infrastructure, and enjoys the benefits of a Cloncurry based local workforce.

Rocklands Resource Estimate

The Rocklands Resource Estimate and associated Block Model represents the collective input and geological interpretations and investigations of more than 50 individual geologists and other industry professionals, who have contributed to the creation of a resource model that has been compiled, validated and cross-checked by independent expert resource consultants. The 2011 Resource Estimate and Updated 2013 Resource Estimate, was prepared by Hong Kong and Brisbane based Mining Associates Pty Ltd.

Since the 2011 resource estimate was released, the drilling strategy focussed on delineating the Fairfield Prospect to sufficient detail to support resource estimation and possible inclusion in the mine planning, selective infill drilling at central Las Minerale, and several deep diamond drill holes also at Las Minerale.

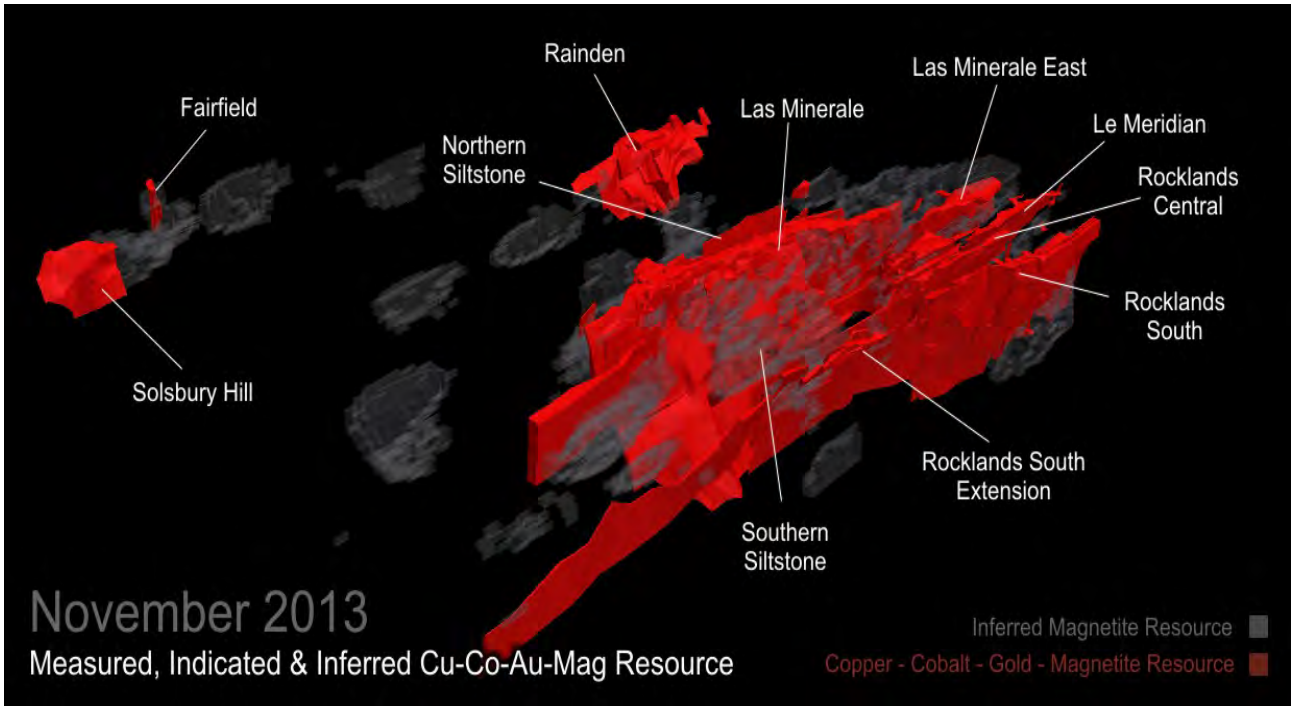


Figure 3: 3D-model of November 2013 Measured, Indicated & Inferred Resource (Cu-Co-Au +Mag) in red highlight and separate magnetite resource shown in faded grey.

More recently drilling concentrated on defining in detail an area of high-grade primary mineralisation discovered during pit dewatering drilling towards the end of 2012, that occurs immediately below the planned Rocklands South Pit.

The 2013 Updated Resource Estimate has been calculated based on more than 360,000m of bedrock, reverse circulation and diamond drilling, providing sufficient information to support a robust geological model throughout all mineralised areas of interest.

Forward Programme - Expanded Operations and Magnetite Resource

The Company is currently undertaking a pulp-magsus programme (magsus readings taken from the same pulverised samples that are sent for assay) designed to provide superior sampling accuracy of magnetite grades, sufficient to support both indicated and measured categories in the preparation of a planned new magnetite resource update. Indicated category is the minimum resource confidence level required to sufficiently determine upgrading implications to the project if future expansion plans are to include concurrent processing of some or all of the new magnetite resource.

In the interim, waste areas in the current Las Minerale and Rocklands South Pits will be re-classified into “waste” and “magnetite rich waste”, and segregated accordingly to facilitate future access to above ground magnetite resources should processing opportunities arise.

Future expansions, or changes to planned mining regimes, will be subject to amended EA and appropriate approvals being granted.

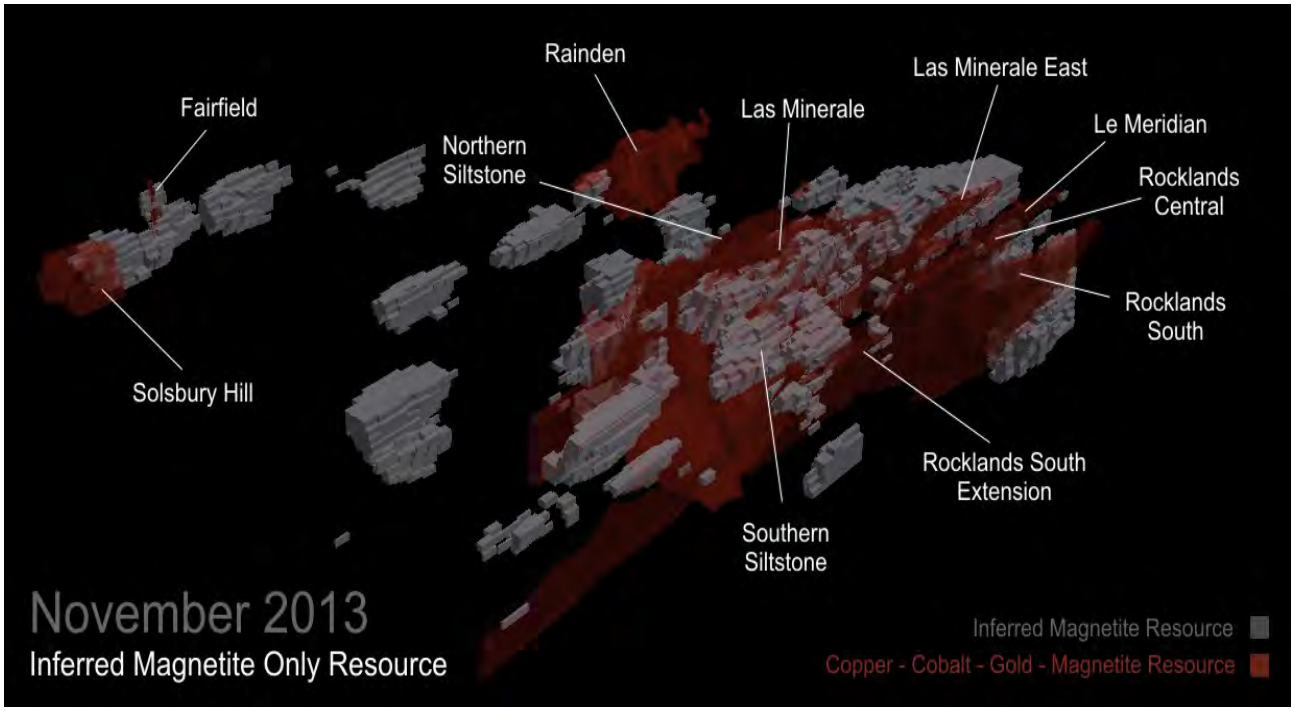


Figure 4: 3D-model of November 2013 Inferred Magnetite-only Resource in light-grey blocks, which is a completely separate resource to the existing Cu-Co-Au +mag resource (faded red).

Pit Optimisation

Based on the updated resource estimate, new pit optimisation studies will be generated to investigate benefits from possible changes to pit shapes and subsequent mining schedules.

The new study will include Life of Mine (LOM) schedules that include the entire Rocklands Resource, and will focus on splitting future development of the Rocklands Project into several stages:

Stage 1: Update current 10-year open-cut mine plan, incorporating any changes that may result from the new resource estimate and subsequent pit-optimisation and mining schedule update.

Stage 2: Extend current open-cut mine plan (+/- 30 years) and incorporate options for expanding the mineral process plant capacity from the current 3mtpa throughput. Studies will consider the financial feasibility of upgrades to the process plant ranging from 6-15mtpa throughput, depending on the most profitable scale/cost configuration that results from the optimisation study. The new magnetite resource will form an important aspect of expansion considerations.

Stage 3: Prepare an underground component to long-term mine planning, to be implemented at a time in the future when open-pit economics give way to more attractive underground options.

Detailed resource statement follows...

On behalf of the board.

- ends

Resource Statement reported according to JORC guidelines

The resources for the Rocklands area at November 2013 have been estimated and are tabulated below at various cut-off grades. The tables need to be read in conjunction with the following “Table 1” (from page 8)

Measured Resource Nov 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	%	%	%	Mlb	Mlb	Mlb
0.2	83	0.36	273	0.09	6.4	0.74	1.0	669	1,369	1,787
0.4	44	0.63	355	0.13	5.6	1.13	1.3	614	1,108	1,300
0.8	19	1.23	504	0.22	5.8	1.96	2.2	506	809	894
Indicated Resource Nov 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	%	%	%	Mlb	Mlb	Mlb
0.2	98	0.16	226	0.07	6.5	0.47	0.7	339	1,021	1,518
0.4	40	0.32	287	0.13	4.1	0.74	0.9	282	652	779
0.8	11	0.68	405	0.19	3.0	1.28	1.4	170	319	346
Total Measured and Indicated Resource Nov 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	%	%	%	Mlb	Mlb	Mlb
0.2	181	0.25	248	0.08	6.5	0.60	0.8	1,008	2,390	3,306
0.4	84	0.48	323	0.13	4.9	0.95	1.1	896	1,759	2,079
0.8	30	1.02	467	0.21	4.8	1.71	1.9	676	1,128	1,240
Inferred Resource Nov 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	%	%	%	Mlb	Mlb	Mlb
0.2	91	0.06	146	0.09	4.6	0.3	0.4	117	573	902
0.4	12	0.24	200	0.10	2.6	0.5	0.6	63	142	166
0.8	0.5	0.54	413	0.12	3.2	1.1	1.2	6	12	13
Total Measured, Indicated and Inferred Resource Nov 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	%	%	%	Mlb	Mlb	Mlb
0.2	272	0.19	214	0.08	5.9	0.5	0.7	1,125	2,962	4,208
0.4	96	0.45	308	0.13	4.6	0.9	1.1	959	1,902	2,244
0.8	30	1.01	466	0.21	4.8	1.7	1.9	681	1,140	1,253

Additional Magnetite Only Inferred Resource Nov 2013						
cut-off	Tonnes	Estimated Grade				Product
Mag%		Cu	Co	Au	Mag	Magnetite
%	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

Competent Person Statements:

The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew J. Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Vigar is employed by Mining Associates Pty Ltd of Brisbane, Australia. Mr Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Mineral Resource Update (2013) has been prepared with inputs from the following personnel:

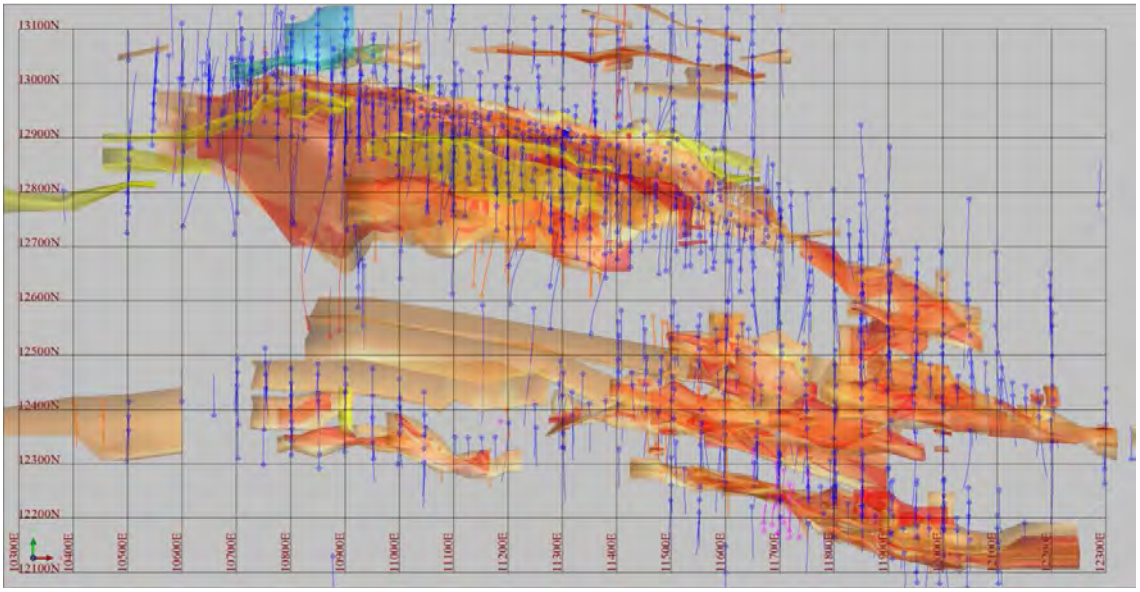
Mr Andrew Day has been responsible for Exploration Results including the exploration data, comments on exploration target sizes, QA/QC and geological interpretation and information, which is incorporated in the database that was provided to Mining Associates for undertaking the a resource estimate. The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by GeoDay Pty Ltd, an entity engaged, by CuDeco Ltd to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and he is a Member of the Australasian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ores Reserves". Mr Day consent to the inclusion in this report of the 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.

Mineral Resource Estimate Update

Rocklands Project, Australia

November 2013



Prepared by Mining Associates Pty Ltd

for

CuDeco

Authors:
Andrew J Vigar, BSc, FAusIMM
James H Lally, MSc, PhD, MAusIMM, MAIG

Effective Date: 29 November 2013
Reference: MA1362-V4

Mining Associates Pty Ltd
ABN 29 106 771 671
Level 4, 67 St Paul's Terrace
Spring Hill QLD 4004 AUSTRALIA
T 61 7 3831 9154
F 61 7 3831 6754
W www.miningassociates.com.au

Mining Associates Limited
Unit A, Level 26, Chinaweal Centre
414-424 Jaffe Road
Wan Chai Hong Kong SAR
T +852 3125 7536
M +852 6381 7856

EXECUTIVE SUMMARY

This report describes the November 2013 mineral resource update of the Rocklands IOCG Project, a multi-lode high grade copper + cobalt +/- gold with magnetite ("IOCG") deposit group located about 23 km northwest of Cloncurry, Queensland, Australia.

The Rocklands Group Copper Project is located in northwest Queensland, on the eastern fold belt of the Mt Isa Inlier, near Cloncurry. The Project is 100% owned by CuDECO Limited ("CuDECO", ASX:CDU), an ASX listed company headquartered in Southport, Queensland.

At the request of Mr David Wilson of CuDeco, Mining Associates Pty Ltd ("MA") was commissioned in October 2013 to prepare an Independent Technical Report and resource update on the Rocklands Project to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves standards ("JORC 2012 Code standards").

Five weeks were spent on data collection and analysis, site visits, technical work and preparation of this report.

Geology and Mineralisation

The Rocklands Project contains an Iron Oxide Copper Gold (IOCG) style deposit with copper-cobalt-gold mineralisation hosted in a series of subparallel, east south east trending, steeply dipping zones within a metamorphosed volcano-sedimentary sequence with significant magnetite content. It is and is one of several examples of significant IOCG deposits in the Cloncurry district, including the Ernest Henry, Osborne and Eloise deposits.

Copper-cobalt-gold-magnetite mineralisation at Las Minerals was first discovered by CuDECO in 2006 after first acquiring the project rights in 2005. Mineralisation is located mostly within a corridor 3 km long and 1700 m wide, comprising a number of northwest striking and steeply dipping breccia-fault zones.

Copper is the dominant mineralisation at Rocklands with lesser amounts of cobalt, gold and magnetite. The copper mineralisation extends from surface and is still open at depth with overlapping oxide, secondary and primary styles of copper mineralisation.

The mineralisation is hosted both within steeply dipping higher grade breccia zones, often also hosted in pre-existing dolerite dykes, and within broader lower grade shallow dipping zones within favourable host sedimentary units.

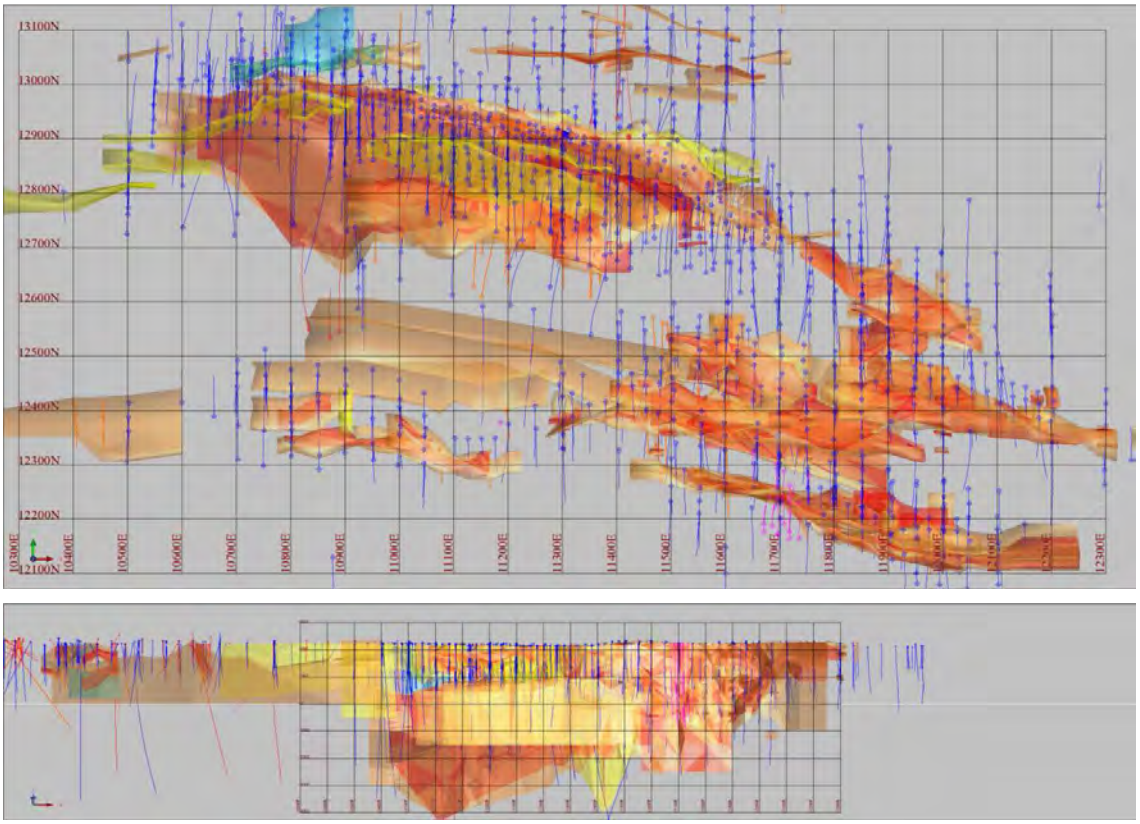
Work Completed

The previous Mineral Resource Estimate was completed in May 2011 by Mining Associates. This update reviewed the same and conducted a complete re-estimation with special attention to new drilling at Fairfield and Rocklands South; updates to Co assays; revision of the magnetite estimates based on test work; and further examination of bias issues previously identified with the diamond and RC drilling in native copper oxide zones. MA has reviewed all aspects of the recent 185 hole drill programme. The review included site visits, observing logging and sampling procedures, and examining QA/QC and assay results.

Mineralisation at Rocklands has been defined by diamond core and reverse circulation drilling on a pattern of 25 m spaced drill sections reduced to 12.5 m spacing in some areas. Sampling protocols, assay methods and sample QA/QC procedures are in accordance with industry best practice and samples are considered by MA to be adequate for the purposes of resource estimation. Mineralisation remains open along strike and at depth, and there is potential for discovery of additional mineralised zones.

Resource Estimates

The resources have been estimated within defined mineralisation wireframes domains based on geology and copper and cobalt grade envelopes. The material between these has also been estimated on a wider node spacing to define host lithologies for exploration targeting and for mining and waste characterisation purposes.



Plan and Long Section showing copper domains and drilling

The input data and estimation methods are discussed in the JORC Table 1 below.

Recent drilling by Cudeco at Fairfield and Rocklands South, has led to a notable upgrade of this significant deposit. The Rocklands Deposit is estimated by MA to contain the following Total Measured, Indicated and Inferred Mineral Resources listed according to cut-off grades set using a copper-cobalt-gold equivalent (CoCuAu), (see detailed tables later for break-down by resource category).

Table 1 Total Rocklands Resource November 2013 at various cut-off grades – open cut and underground

cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
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

Note - Figures have been rounded to reflecting 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

MA completed a resource estimate from first principles and notes that the lower cut-off grade of 0.2% CuCoAu is appropriate for this scale of deposit to be developed by open pit mining with the main deposits occurring in an area 2km long by 1km wide and within the vertical range of -250m RL to surface (about 475m).

Andrew J Vigar

Brisbane, Australia

29th November 2013

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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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 Metal Equivalent
Magnetite		Cu	Co	Au	Mag	CuEq*
%	Mt	%	ppm	ppm	%	Mlb
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

JORC Code, 2012 Edition – Table 1

Notes on data relating to Rocklands Project Resource Estimates. Data provided by CuDeco and verified by MA.

1.1 JORC TABLE 1 - SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

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.*	▪ The resource estimate is based on drill samples only, no surface samples were used. ▪ Representative 1 meter samples were taken from ¼ (NQ, HQ) or ½ (NQ, BQ) diamond core and in the case of reverse circulation (RC) and rotary air blast (RAB) drilling, samples were split using the splitter attached to each rig for that particular programme. ▪ Only assay result results from recognised, independent assay laboratories were used in Resource calculation after QAQC was verified.
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).*	▪ Diamond (DDH) of NQ, PQ, HQ and BQ diameters with standard and triple tube sample recovery and reverse circulation (RC) with "through the bit" sample recovery data were used for geological interpretation and resource estimation. ▪ Current practice is to use DDH only in mineralised zones.
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.*	▪ DDH core recovery averaged 98% overall, and exceeded 80% in 96% of the meters drilled in the mineralised zone. ▪ RC recovery was recorded as bag size estimate and bag weight for all samples ▪ RC - In most cases when chip recovery was poor and sample became wet the hole was stopped and a diamond tail was added. ▪ DDH - Analysis of recovery results vs grade indicates no significant trend occurs indicating bias of grades due to diminished recovery and / or wetness of samples. ▪ RC - Possible loss of native copper in the weathered potion of the mineralised zone has been identified and could result in an underestimation of the copper grade when based on RC drill data, in certain circumstances. This could not be reliably quantified and no

Criteria	JORC Code explanation	Commentary
		correction to the data or estimates has been made.
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 are logged for lithology, mineralisation and alteration using a standardised logging system, including the recording of visually estimated volume percentages of major minerals. ▪ Early (2006 to mid 2008) rock chip and core samples were logged on paper and data entry completed by a 3rd Party Contractor and Database administrator in 2008. ▪ Since 2008, rock chip and core samples were logged on site directly into Microsoft Excel field data capture templates with self-validating drop down field lists. ▪ Drill core was photographed after being logged by the geologist. ▪ Drill core not used for bulk metallurgical testing and RC drill chips are stored at the Rocklands site.
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.*	▪ All, DDH core is orientated along the bottom of hole, where possible. A cut line is drawn 1cm to the right of the core orientation line. ▪ Core is cut with a diamond saw, ½ core is used for NQ and BQ analysis, ¼ core is used for HQ and PQ analysis to standardise the sample size per meter. ▪ RC samples are split using an automated splitter (type) on the drill rig. ▪ Sample intervals are 1m down-hole in length unless the last portion of hole is part of a metre ▪ SGS Minerals Townsville Sample Preparation ▪ All samples are dried. Drill core is placed through Jaw crusher and crushed to approx. 8mm. RC chips and core are then split if necessary to a sample of less than approximately 3.5kg. ▪ Native copper samples were prepared by 2 methods. Grain size of native copper determined which method was used. ▪ Samples where the Native Copper grain size is less than 2mm were disc ground to approximately 180µm. 500g is then cut from the sample and lightly pulverised for 30 seconds to approximately 100µm. ▪ Samples where Native Copper grain size is greater than 2mm were put through a rolls crusher to approximately 3mm. Samples were sieved at 2mm with copper greater than 2mm hand picked out of sample. Material less than 2mm and residue above 2mm was disc ground to approximately 180µm. 500g is then cut from the sample and lightly pulverised for 30 seconds to approximately 100µm. ▪ All other sampled material not containing Native Copper is pulverised to a nominal 90% passing 75µm. ▪ AMDEL Bureau Veritas Mt Isa Sample Preparation ▪ After receiving, checking and sorting samples were dried at 103oC for 6 hours. ▪ Core samples were then put through a Jaw Crusher and crushed to approximately -10mm. Sample was then split if sample weight over 3kg. ▪ Rock chip samples weighing over 3kg were crushed with the use of a Boyde crusher and split with 3kg of material retained. ▪ Samples were then pulverised for 5 minutes in an LMS until 90% of the sample passed through -106µm. Sample was then cut with the remaining pulp put in storage.
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*	▪ Prior to the May 2011 Resource, Cu and Co grades were determined predominately by 3 acid digest with either a ICP-AES (Inductively-Coupled Plasma Atomic Emission Spectrometer) or AAS (Atomic absorption Spectrometer). determination (SGS methods, ICP22D, ICP40Q, AAS22D AAS23Q, AAS40G). Post May 2011 Resource, Cu and Co grades were determined predominantly by 2 acid digest by

Criteria	JORC Code explanation	Commentary
	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.*	ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometer) determination at AMDEL Mt Isa laboratory. ▪ Prior to the May 2011 Resource, Au grades were determined by 50g Fire Assay (at SGS Townsville method FAA505). Post the May 2011 Resource, Au grades were determined by 40g Fire Assay (at AMDEL Adelaide and Mt Isa method FA1). ▪ Prior to the May 2011 resource Calcium and Sulphur grades were determined by ICP – AES, post May 2011 Resource Sulphur grades were determined by aqua regia digest by ICP-OES. ▪ Magnetite grades were determined by measurements of Magnetic Susceptibility taken on the samples which were compared to Davis Tube test results to determine a linear regression. It is recognised that a low susceptibility portion of the magnetite does exist, and hence magnetite grades may be underestimated in certain locations, but no correction has been found reliable at this time. Additional clarification should be available after results of the current bulk-sample programme have been analysed. ▪ All analyses were carried out at internationally recognised, independent assay laboratories SGS, ALS, Genalysis, and Amdel Bureau Veritas. ▪ 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, Only Co samples assayed by the ICP methods were used in resource estimation. ▪ 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, apart from a period of systematic laboratory error, where standards are suspected to have been only partially digested. In-house cobalt only standards are more variable in results than those of Ore Research copper and gold, which is attributed to the in-house origin. These were later replaced by the copper-cobalt-gold standards certified by Ore Research Pty Ltd. ▪ Re-assay programmes of sample intervals analysed prior to QAQC implementation, and those of the systematic laboratory error period have shown correlations between re-assay and original results to be chiefly within the realm of analytical error, and as such, acceptable. ▪ Field duplicates collected in three retrospective programmes were affected by weathering and cementing of samples, making assay comparison difficult. Recent duplicate samples, split and despatched with the originating drill hole, show good correlation within paired copper and cobalt results, although gold results are variable, which is attributed to coarse (>75?m) gold mineralisation. Duplication of core samples has been attempted, and is considered to be of little use as a measure of assay repeatability, due to local variation in mineralisation. ▪ QAQC monitoring is an active and ongoing process on batch by batch basis by which unacceptable results are re-assayed as soon as practicable. ▪ An issue was found with the early AAS sample grades for Cobalt and approximately 21,400 samples have been re-assayed for Co via ICP methods. There is an approximate 20% lift in Co concentration between 100 and 500ppm, and 10% above this level. The proportion of new assays to total assays in the mineralised zones is approximately 27%. Only ICP results have been used in the estimation. ▪ A limited check assay program carried out in 2007 on 497 samples

Criteria	JORC Code explanation	Commentary
		suggests that Cu may be understated by approximately 5%. ▪ No assays for Cobalt or Copper have been factored. ▪ There is a need to complete the check assay program for Co and also to undertake a check assay program for Cu. No certified matrix-matched standards have been used for Cu and the in-house Co standards used have very high Co concentrations that are not representative of the bulk of the mineralised samples. ▪ DTR (Davis tube recovery), which indicates magnetite content, was derived from magnetic susceptibility readings taken on core chip and pulps samples. Three different instruments were used and their calibration requires further investigation.
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.*	▪ An umpire assay programme of 528 mineralised samples from 173 drill holes was completed by ALS Laboratories in 2007 ▪ Results between twinned RC and diamond holes are in approximate agreement, when taken into consideration with the natural variation associated with breccia-hosted ore bodies, identified coarse mineralisation, and subsequent weathering overprinting. ▪ All assay data QAQC is checked prior to loading into the CuDeco Explorer 3 data base. ▪ The CuDeco Explorer 3 data base was originally developed and managed by consulting geologists, Terra Search Pty Ltd, and was subsequently handed over to CuDeco Ltd in mid-2009. The data base and geological interpretation is collectively managed by the CuDeco Resource Committee, and relayed to the Resource Consultants by the nominated member of this committee, Exploration Adviser Mr David Wilson.
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 at Rocklands have been surveyed with a differential global positioning system (DGPS) to within 10cm accuracy and recorded in the CuDeco Explorer 3 data base. ▪ All drill holes, apart from vertical, have had down hole magnetic surveys at intervals not greater than 50m and where magnetite will not affect the survey. Surveys where magnetite is suspected to have influenced results have been removed from the Database. ▪ Where surveys are dubious the hole was resurveyed, where possible, via open hole in non magnetic material
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 nominal local grid north-south sections, commencing at 100m spacing and then closing to 50m and 25m for resource estimation. Local drilling in complex near-surface areas is further closed in 12.5m ▪ Vertical spacing of intercepts on the mineralised zones similarly commences at 100m spacing and then closing to 50m and 25m for resource estimation, again some closer spacing is used in complex areas. ▪ Drilling has predominantly occurred with angled holes approximately 55° to 60° inclination below the horizontal and either drilling to the local grid north or south, depending on the dip of the target mineralised zone. ▪ Holes have been drilled to 600m vertical depth ▪ Drilling is currently focused on the known mineralised zones of Las Minerale and Las Minerale East; Rocklands South and South Extension; Rocklands Central and Le Meridian; Rainden and Solsbury Hill. ▪ The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and has been taken into account in 3D space when determining the classifications to be applied.

Criteria	JORC Code explanation	Commentary
		▪ Samples were composited to 2m down-hole for resource estimation in the known wireframe constrained mineralised zones and 10m down-hole in the general lithology zone (Inferred only).
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 has been completed on local north-south section lines along the strike of the known mineralised zones and from either the north or the south depending on the dip ▪ Vertical to South dipping ore bodies, Las Minerale, Rocklands South Extended, Rainden and Solsbury Hill, were predominantly drilled to the north whilst Vertical to Northing Dipping ore bodies, Las Minerale East, Rocklands South, Rocklands Central and Le Meridian were predominantly drilled to the south. ▪ Scissor Drilling, (drilling from both north and south), as well as vertical drilling, has been used in key mineralised zones at Las Minerale and Rocklands South, to achieve unbiased sampling of possible structures, mineralised zones and weathering horizons. ▪ Horizontal layers of supergene enrichment occur at shallow depths in Las Minerale and Rocklands South and a vertical drill program has been drilled at right angles to address this layering and to provide bulk samples for metallurgical test work.
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 lab and returned to a locked storage set back at 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. External review and audit have been conducted by the following groups; 2007 – In July 2007, Snowden were engaged to conduct a review of drilling and sampling procedures at Rocklands, provide guidance on potential areas of improvement in data / sample management and geological logging procedures, and to ensure the Rocklands sampling and data record was appropriate for use in resource estimation. All recommendations were implemented. ▪ 2010 – In early 2010 Hellman Schofield conducted a desktop review of the Rocklands database, as part of their due diligence for the resource estimate they completed in May 2010. Apart from limited logic and spot checks, the database was received on a "good faith" basis with responsibility for its accuracy taken by Cudeco. A number of issues were identified by H&S but these were largely addressed by Cudeco and H&S regarded unresolved issues at the time of resource estimation as unlikely to have a material impact on future estimates. ▪ 2010 - Mr Andrew Vigar of Mining Associates Limited visited the site in 12 to 15 October, 3 to 5 November and 8 to 10 December 2010 during the compilation of detailed review the drilling, sampling techniques, QAQC and previous resource estimates and 17 to 19 march 2011 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.

1.2 JORC TABLE 1 - SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• 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.</td><td>▪ 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.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>▪ Previous reports on the Double Oxide by CRA and others between 1987 and 1994 describe a wide shear zone containing a number of sub parallel mineralised zones with a cumulative length of 6km.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>▪ 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.</td></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>
<table>
<tr><th>Drilling Type</th><th></th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>Total</th></tr>
<tr><td rowspan="2">RAB</td><td># holes</td><td>1514</td><td>499</td><td>1668</td><td>145</td><td>3826</td></tr>
<tr><td>metres</td><td>7820</td><td>2819</td><td>18741.5</td><td>2211</td><td>31591.5</td></tr>
<tr><td rowspan="2">DD</td><td># holes</td><td>239</td><td>111</td><td>235</td><td>28</td><td>613</td></tr>
<tr><td>metres</td><td>47286.04</td><td>17386.68</td><td>24749.41</td><td>7507.9</td><td>96930.03</td></tr>
<tr><td rowspan="2">RC</td><td># holes</td><td>1491</td><td>84</td><td>2</td><td></td><td>1577</td></tr>
<tr><td>metres</td><td>221263.1</td><td>9850.8</td><td>195.7</td><td></td><td>231309.6</td></tr>
<tr><td rowspan="2">Geotech DD</td><td># holes</td><td></td><td></td><td>8</td><td></td><td>8</td></tr>
<tr><td>metres</td><td></td><td></td><td>182.6</td><td></td><td>182.6</td></tr>
<tr><td rowspan="2">Open Hole</td><td># holes</td><td></td><td></td><td>1</td><td>6</td><td>7</td></tr>
<tr><td>metres</td><td></td><td></td><td>285</td><td>1394</td><td>1679</td></tr>
<tr><td rowspan="2">Total</td><td># holes</td><td>3109</td><td>684</td><td>1914</td><td>179</td><td>5886</td></tr>
<tr><td>metres</td><td>276369.14</td><td>30056.48</td><td>44154.21</td><td>11112.9</td><td>361692.73</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>• 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.</td><td>▪ A nominal cutoff of 0.1% Cu is used for identification of potentially significant intercepts for reporting purposes, though a Co and magnetite domains are used in resource modelling
▪ Most of the reported intercepts are shown in sufficient detail, including maxima and subintervals, to allow the reader to make an assessment of the balance of high and low grades in the intercept
▪ Informing Samples have been composited to two metre lengths honouring the geological domains and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).
▪ Metal equivalents are not used in domaining, but are reported. The formulae used are as follows
CuCoAu%= Cu% +Co ppm*0.001163 + Au ppm*0.5181
CuEqu%= Cu% +Co ppm*0.001232 + Au ppm*0.5181 + Mag%*0.035342</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
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').*	▪ Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths. ▪ Exploration results have been reported as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported. ▪ Resource estimation, as reported later, was done in 3D space.
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.*	▪ See figures in main report.
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.*	▪ Resources have been reported at a range of cut-off grades, above a minimum suitable for open pit mining.
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.*	▪ Extensive work in these area has been done, and is reported separately.
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.*	▪ The mineralisation is open at depth. Current estimates are restricted to those expected to be reasonable for open pit mining. Limited drilling below this depth (-250m rl) shows widths and grades potentially suitable for underground extraction. CuDeco are currently considering target sizes and exploration programs to test this potential to 1,000m from surface.

1.3 JORC TABLE 1 - SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	▪ The Rocklands database is an Microsoft Access based Explorer 3 data base system. ▪ Data is logged directly into an Excel spreadsheet logging system with drop down field lists. ▪ Validation checks are written into the importing program in the Explorer 3 data base, an error is triggered if data is not in correct format and ensures all data is of high quality. ▪ Digital assay data is obtained from the Laboratory, QAQC checked and imported into Explorer 3. ▪ Data tables were exported from Explorer 3 as a sub-set, also in MS Access format, and connected directly to the Gemcom Surpac mine

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>software used by MA for interpretation and resource estimation.
▪ Data was validated prior to resource estimation by the reporting of basic statistics for each of the grade fields, including examination of maximum values, and visual checks of drill traces and grades on sections and plans. Errors were reported back to CuDeco for correction in the Explorer3 Database.</td></tr>
<tr><td>Site visits</td><td>• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.
• If no site visits have been undertaken indicate why this is the case.</td><td>▪ Mr Andrew Vigar of Mining Associates Limited visited the site from 12 to 15 October, 3 to 5 November and 8 to 10 December 2010, and from 17 to 19 March 2011 during the compilation of a detailed review of the drilling, sampling techniques, QAQC and previous resource estimates. Mr. Vigar also visited the site from 24 to 25 September 2013 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.</td></tr>
<tr><td>Geological interpretation</td><td>• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.
• Nature of the data used and of any assumptions made.
• The effect, if any, of alternative interpretations on Mineral Resource estimation.
• The use of geology in guiding and controlling Mineral Resource estimation.
• The factors affecting continuity both of grade and geology.</td><td>▪ The Rocklands copper-cobalt-gold mineralisation is hosted in a series of subparallel, east south east trending, steeply dipping zones. The mineralised lodes occur within a metamorphosed sedimentary sequence of siltstone, sandstone/quartzite, quartz magnetite/jaspilite lenses, calcareous beds and calc silicates of Proterozoic age. Copper is the dominant mineralisation at Rocklands, lesser amounts of cobalt and gold. The copper mineralisation extends from surface to depth with overlapping oxide, secondary and primary styles of copper mineralisation. Mineralisation appears to be associated with and controlled by steeply dipping, west northwest trending, linear, structures that cut the shallow dipping metasedimentary sequence at a high angle.
▪ The orientation and grade of the known mineralised zones are clearly influenced by a combination of steeply dipping structurally controlled features, which may be spatially associated with largely sub vertical dolerite dykes, and shallowly dipping favourable lithological units.
▪ The controlling set of structures is sub-vertical and strike in a North North-West orientation.
▪ The copper mineralisation extends from surface and is still open at depth with overlapping oxide, secondary and primary styles of copper mineralisation. Primary sulphide mineralisation occurs at the base of a thick secondary mineralisation sequence of native copper and chalcocite with a minor complete oxidation zone.</td></tr>
<tr><td>Dimensions</td><td>• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</td><td>▪ The main area of defined mineralisation occurs as a number of sub-parallel structures over a corridor strike length of 3km, 1.7km wide and up to 0.64km down dip, which excludes the Solsbury Hill and nearby domains situated immediately to north of the main zone. There are a total of 36 currently defined domains, including Solsbury Hill.

Defined Mineralised Domains Extent Report
<table><tr><th></th><th>m</th><th>north</th><th>east</th><th>RL</th><th>RL limit</th></tr><tr><td rowspan="3">All Resource</td><td>min</td><td>12,100</td><td>9,325</td><td>-400</td><td>-250</td></tr><tr><td>max</td><td>14,796</td><td>12,375</td><td>245</td><td>245</td></tr><tr><td>extent</td><td>2,696</td><td>3,050</td><td>645</td><td>495</td></tr><tr><td rowspan="3">Main Areas</td><td>min</td><td>12,100</td><td>9,375</td><td>-400</td><td>-250</td></tr><tr><td>max</td><td>13,784</td><td>12,375</td><td>245</td><td>245</td></tr><tr><td>extent</td><td>1,684</td><td>3,000</td><td>645</td><td>495</td></tr></table></td></tr>
<tr><td>Estimation</td><td>• The nature and appropriateness</td><td>▪ The resource estimate has been revised from "first principles" based</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
and modelling techniques	*of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	on a review and re-interpretation of the geological controls and using the results of the extensive recent drilling programs. ▪ The mineralised domains were digitised on cross sections defining boundaries for High-grade Cu as >0.5%Cu, Low-grade Cu as >0.1% Cu and Cobalt as >100ppm Co. The domains are nested. There are a total of 36 currently defined domains). The intervals for each drill hole for each domain were tagged into database tables and used for compositing and selection of informing samples. ▪ The defined mineralised domains were constrained with 3D wireframes and grades estimated by Ordinary Kriging. The results for Cu were compared with the raw drill data and also with block estimates made using Nearest Neighbour and Inverse Distance squared block estimates, the first to test the impact of averaging and clustering, the later the impact of clustering and the selected variogram. Resource categories have been defined using the sample density, number of informing samples and the krige variance. ▪ The grade estimation uses ordinary kriging into a parent block size of 50 m (E) by 8 m (N) by 20 m (RL). The estimation block size was varied by resource category as shown in the table 7. A sub-block size of 15 m (E) by 15 m (N) by 5 m (RL) was used against all wireframes for volumes. ▪ Geological and grade modelling work encompassed all previous drilling. Modelling work was extended vertically to the limits of the current drillhole assay database; section interpretations were extended a maximum of 75 m down dip and beyond the limit of drilling. Mineralisation is restricted to the west by the unconformity with the overlying volcanic tuffs. Mineralisation is interpreted to be continuous between drill holes both along strike and down dip within the defined domains. ▪ The host lithologies between the defined wireframe domains were allocated a lithological type and grades estimated into a larger block size with data available outside of the wireframe domains. Where possible the wireframe domains were extended to these areas, but some areas where drilling and/or geological knowledge was insufficient remained, these areas are known as "undomained". Where grades above cut-off were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. ▪ Weathering horizons for oxide and semi-oxide were defined on section using the drill lithological logs, as were domains for native copper and chalcocite at Las Minerale and Rocklands South. ▪ Block models were validated by visual and statistical comparison of drill hole and block grades and through grade-tonnage analysis. ▪ Krige copper estimates were validated against Nearest Neighbour and Inverse Distance Squared copper estimates. These alternative models undertaken by different software and personnel achieved very close agreement with the reported results.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	▪ All tonnages are reported on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	▪ Lower cutoff grade for resource reporting of 0.2% CuCo Au and only blocks above -250m RL were applied to blocks in reporting the resource estimates in a range of cut-off grades. ▪ Total costs from mining (C1) are approx.. $18 per tonne of ore, which based a weighted average price for Cu Co and Au over the last 5 years and allowing for differential recoveries gives a cut-off of approx.. 0.23% CuCoAu.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>▪ Magnetite only resources are reported above a minimum cut-off of 10%</td></tr>
<tr><td>Mining factors or assumptions</td><td>• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</td><td>▪ Preliminary pit optimising was undertaken using Whittle software by an independent mining engineering consultancy. The aim of this work was to identify the approximate proportion of the modelled estimates that fall inside an optimum pit shell using prevailing metal prices, preliminary metallurgical recoveries and assumed inputs such as pit slopes. This work was not intended to define reserves. The key metallurgical recovery assumptions were 95% for Cu, 90% for Co and 75% for Au as advised by CuDeco., The pit reached a depth of about -180m RL
▪ The size of preliminary conceptual pits is strongly affected by inputs, particularly metal recoveries and metal prices which, if unrealised, may result in significant portions of resource estimates not reporting to future open pits.
▪ The Xstrata December 2009 Resource Statement for the nearby, and geologically similar, Ernest Henry Open Cut is for a Total Resource of 21Mt @0.9% Cu, 0.5 g/tAu and 18%magnetite using a cut-off grade of 0.27%Cu. Final depth is 530m below surface.
▪ The resource is therefore considered as open pittable above an elevation of -250m RL, or about 475m from surface.</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</td><td>▪ Numerous technologies and techniques have been applied to ore samples extracted from across the Rocklands mineralised zones to establish the general amenity of the Rockland's mineral species to efficient recovery to produce quality saleable products, and to determine any potential processing problems.
▪ No significant impediments to the efficient recovery of Rocklands copper, cobalt, magnetite and gold minerals have been encountered during the exhausting programme of laboratory and small and large-scale pilot processing testwork.
▪ No deleterious elements are present in concentrate products produced in the test programmes at concentrations in excess of, or near to, concentrations which would be likely to attract a penalty from a smelter or other end users.
▪ Concentrate products are above the minimum specification required to achieve full payment from smelters or other end users.
▪ The following procedures and processing techniques have been applied to the Rocklands mineralised zones:
<table>
<tr><th>Zone</th><th>Crush</th><th>Screen</th><th>Leach</th><th>Gravity</th><th>Mill</th><th>Gravity Conc.</th><th>Floatation</th><th>Filtration</th></tr>
<tr><td>Oxidised</td><td>√</td><td></td><td>√</td><td></td><td></td><td></td><td>√</td><td></td></tr>
<tr><td>Native Copper</td><td>√</td><td>√</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td></tr>
<tr><td>Chalcocite</td><td>√</td><td></td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
<tr><td>Primary</td><td>√</td><td></td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
</table>
▪ The following recovery values can be applied, based on weighted averages, across the mineralised zones to support resource estimation calculations:
<table>
<tr><th>Element/mineral</th><th>Copper</th><th>Cobalt</th><th>Gold</th><th>Magnetite</th></tr>
<tr><td>Recovery</td><td>95%</td><td>90%</td><td>75%</td><td>80%</td></tr>
</table></td></tr>
<tr><td>Environmen-tal factors or</td><td>• Assumptions made regarding possible waste and process</td><td>▪ The Assessment Report for the Environmental Impact Statement and Environmental Management Plan for the Rocklands Goup Copper</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>assumptions</td><td>residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</td><td>Project was issued by the Queensland Government on 1st August 2011 and the Environmental Authority (EA) which enabled the commencement of the Project was issued on 31st October, 2011.
▪ The Project currently operates under the Queensland EA, Permit Number EPML00887913.
▪ The environmental approvals referred to above allow the Project to operate at an average processing rate of 3.0 Million tonnes per annum of ore and to dispose of the associated waste and tailings in approved-design waste-rock dumps and tailings storage facilities.</td></tr>
<tr><td>Bulk density</td><td>• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.
• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.
• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</td><td>▪ There were 3002 measurements, plus a number of validation tests undertaken for bulk density determinations with a special distribution across the Rocklands mineralized zones. Both internal and external laboratories were used in the bulk density programme. The results have been determined by way of averages for each of the main mineralized zones.
▪ The mineralised zones exhibited a definable trend of increasing bulk density with copper and magnetite grade and this has been factored for resource calculations.
▪ Based on the results obtained, the following table is applied to the mineralized zones for resource estimation purposes:
<table><tr><th>Zone</th><th>Baseline t/m3)</th><th>Cu% Factor</th><th>Magnetite % Factor</th></tr><tr><td>Oxide</td><td>2.38</td><td>0.657</td><td>0.0279</td></tr><tr><td>Semi Oxide</td><td>2.70</td><td>0.0620</td><td>0.0247</td></tr><tr><td>Native Copper</td><td>2.50</td><td>0.0645</td><td>0.0267</td></tr><tr><td>Chalcocite</td><td>2.75</td><td>0.062</td><td>0.0221</td></tr><tr><td>Primary Mineralised</td><td>2.9</td><td>0.0605</td><td>0.0227</td></tr><tr><td>Fresh</td><td>2.75</td><td>0.0625</td><td>0.242</td></tr></table>▪ The grade formula applied to the zone for resource estimation purposes is as follows:
Bulk Density = Baseline + %Cu*CuFactor + Magnetite%*MagnetiteFactor</td></tr>
<tr><td>Classification</td><td>• The basis for the classification of the Mineral Resources into varying confidence categories.
• Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).
• Whether the result appropriately reflects the Competent Person's view of the deposit.</td><td>▪ Resource classification is based number of informing samples, kriging conditional bias slope ("Slope") and search distance to informing samples.
▪ Blocks within the defined wireframes domains are classified as measured, indicated or inferred based on the following criteria
• Measured - maximum number of informing samples, Slope >0.8
• Indicated - maximum number of informing samples, Slope >0.4
• Inferred - block estimated within domain wireframes, minimum of 3 informing samples within maximum search of 300m.
▪ The host lithologies between the defined wireframe domains are known as "undomained". Where grades above cut-off of 0.2% CuCoAu were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. Search range for this category was reduced to 200m and minimum number of informing samples increased to 10 as</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		no domain wireframes were used. ▪ A magnetite only material was also allocated in the "undomained" section of the deposit using the same criteria as described above. A cut-off of 10% magnetite was applied.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	▪ CuDeco' internal review and audit of the Mineral Resource Estimate consisted of data analysis and geological interpretation of over 210 individual cross-sections, comparing drill-hole data with the resource estimate block model. ▪ Good correlation of geological and grade boundaries were observed, however some loss of resolution is observed when high-grade results are present, due to the apparent smoothing of these results into surrounding blocks. **COMPARISON WITH PREVIOUS ESTIMATES** ▪ On 3 May 2006 Australian Mining Investments Ltd, the former name of CuDeco, reported to the ASX an Indicated and Inferred Mineral Resource of 5.2Mt @ 0.77% Cu for the Rocklands and Double Oxide deposits. ▪ On 29 June 2006 Australian Mining Investments Ltd reported to the ASX an Inferred Mineral Resource of 59Mt @ 2.04% Cu equivalent for Las Minerale. ▪ On 13 July 2006 CuDeco reported to the ASX an amended Inferred Mineral Resource of 25Mt @ 2% Cu equivalent for Las Minerale consisting of 1.6% Cu, 820 ppm Co and 0.2 g/t Au. The remainder of the initial 59 Mt resource was re-classified as Exploration Results consisting of an exploration target of 34 Mt. ▪ The methodology for the 25 Mt resource estimate, as reported to the ASX on 13 July 2006, appears to be a manual polygonal technique based on a geometry of 600m (strike) by 45m (true width) by 250m (depth) by 3.7 (density) resulting in 25 Mt. The grade estimate is described as based on assay results for 21 Reverse Circulation (RC) drill holes and visual estimates and interpretation of the mineralization for six unassayed RC holes. ▪ Weighted average grades were used to derive the quoted resource grade with metal prices of US$3.15/lb (Cu); US$500/oz (Au) and US$15/lb (Co) used to calculate the copper equivalent (no metallurgical recoveries appear to have been used). ▪ In August 2010 CuDeco reported a resource estimated by Hellman and Schofield using a block model approach, broad domains based on a CuCoAu equivalent cut-off and estimation with Multi Indicator Kriging. The new estimates by H&S were expected to reasonably model grades and tonnages realized in a mining operation. ▪ CuDeco had completed approximately 260,000 metres of drilling across the Rocklands tenement since the July, 2006 resource statement, with a major proportion of this being close-space drilling to support this resource update. The Resource has been well drilled on sections approximately 25-50 metres apart, in some cases down to 12.5 metres apart, over a strike length of approximately 4km for the major orebodies. ▪ The models for the Rocklands project used blocks with dimensions of 25 x 5x 20m for the steeper dipping zones and blocks of 25 x 10 x 10m for the moderately dipping zones. ▪ Copper estimation by Multi Indicator Kriging (MIK) using 5 x 2.5 x 5m SMU, while Co, Au and DTR estimated by OK. No cutting of grades. Initial search radii 25 x 25m in plane of mineralisation and around 10m (8 – 12.5m) across strike, second pass radii doubled and third pass 4x in plane of mineralisation but around 20-25m across strike. DTR estimates are regarded as Inferred. ▪ CuCoAu equivalent grades were based on metal prices and

Criteria	JORC Code explanation	Commentary

metallurgical recoveries provided by CuDeco and refer to recovered equivalents:

- Cu 95% recovery US$2.00 per Pound
- Co 85% recovery US$26.00 per Pound
- Au 75% recovery US$900.00 per Ounce
- The recovered copper equivalent formula was
- EqCu = %Cu x 0.95 + ppmCo x 0.001163 + ppmAu x 0.5181
- The quoted resource estimates for 2011 were as follows

Rocklands Measured Resource

Cu Eq Cutoff (%)	M t	Cu %	Au g/t	Co (ppm)	Kt Cu	Koz Au	t Co
0.15	69	0.34	0.06	228	230	140	15,690
0.25	51	0.44	0.08	271	220	130	13,700
0.8	20	0.88	0.14	415	180	90	8,460

Rocklands Indicated Resource

Cu Eq Cutoff (%)	M t	Cu %	Au g/t	Co (ppm)	Kt Cu	Koz Au	t Co
0.15	82	0.17	0.03	152	140	90	12,460
0.25	51	0.25	0.05	178	120	80	8,990
0.8	11	0.67	0.08	230	70	30	2,420

Rocklands Measured and Indicated Resource

Cu Eq Cutoff (%)	M t	Cu %	Au g/t	Co (ppm)	Kt Cu	Koz Au	t Co
0.15	151	0.25	0.05	186	370	230	28,150
0.25	101	0.34	0.06	224	350	210	22,690
0.8	31	0.81	0.12	352	250	120	10,890

Rocklands Inferred Resource

Cu Eq Cutoff (%)	M t	Cu %	Au g/t	Co (ppm)	Kt Cu	Koz Au	t Co
0.15	94	0.14	0.03	163	130	100	15,300
0.25	56	0.21	0.05	195	120	80	10,960
0.8	10	0.63	0.09	275	60	30	2,690

Rocklands Measured, Indicated and Inferred Resource

Cu Eq Cutoff (%)	M t	Cu %	Au g/t	Co (ppm)	Kt Cu	Koz Au	t Co
0.15	245	0.21	0.04	177	510	340	43,480
0.25	157	0.3	0.06	214	470	290	33,660
0.8	41	0.77	0.11	333	310	150	13,580

- The densities used in the 2010 study to convert volumes into tonnages range from 2.38 to approximately 3.0 depending on mineralisation type.
- In May 2011 CuDeco released an updated resource estimate prepared by Mining Associates Australia.
-

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="11">Total Rocklands Resource May 2011 at various cut-off grades</th></tr>
<tr><td>cut-off</td><td>Tonnes</td><td colspan="4">Estimated Grade</td><td colspan="2">Copper Equivalents</td><td colspan="3">Contained Metal Equivalent</td></tr>
<tr><td>CuCoAu*</td><td></td><td>Cu</td><td>Co</td><td>Au</td><td>Mag</td><td>CuCoAu*</td><td>CuEq*</td><td>Cu</td><td>CuCoAu*</td><td>CuEq*</td></tr>
<tr><td>%</td><td>Mt</td><td>%</td><td>ppm</td><td>ppm</td><td>%</td><td>%</td><td>%</td><td>Mlb</td><td>Mlb</td><td>Mlb</td></tr>
<tr><td>0.20</td><td>272.9</td><td>0.18</td><td>233</td><td>0.09</td><td>2.98</td><td>0.51</td><td>0.62</td><td>1,064</td><td>3,070</td><td>3,704</td></tr>
<tr><td>0.40</td><td>118.5</td><td>0.36</td><td>321</td><td>0.11</td><td>2.70</td><td>0.81</td><td>0.90</td><td>935</td><td>2,112</td><td>2,361</td></tr>
<tr><td>0.80</td><td>31.4</td><td>0.94</td><td>465</td><td>0.19</td><td>2.29</td><td>1.61</td><td>1.69</td><td>646</td><td>1,109</td><td>1,165</td></tr>
</table>
</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.
• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</td><td>▪ An approach to the resource classification was used which combined both confidence in geological continuity (domain wireframes) and statistical analysis. The level of accuracy and risk is therefore reflected in the allocation of the measured, indicated and inferred resource categories.
▪ The “undomained” material, both copper and magnetite mineralisation, is restricted by the current level of drilling. Reporting of this as an Inferred resource was constrained by use of tight estimation parameters. It is expected that further work will extend this considerably.
▪ Using the slope of regression as a guide to classification of mineral resource takes the quality and hence accuracy of the block estimates into consideration.
▪ Resources estimates have been made on a local basis using a block model with variable block sizes which reflect the informing sample density. The model is suitable for technical and economic evaluation.
▪ The deposit is not yet in production. A grade control system, including reconciliation to the resource estimates, is currently being designed and will be used in future resource updates.</td></tr>
</table>

1.4 SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

No reserves are reported

Appendix C

ASX Announcement made by the Company on 11 December 2015 (‘Maiden Ore Reserve Estimate’)

ACN. 000 317 251

MARKET RELEASE **11th December 2015**

ROCKLANDS GROUP COPPER PROJECT (CDU 100%)

ROCKLANDS MAIDEN ORE RESERVE ESTIMATE

Cloncurry mining company CuDeco Limited (ASX:CDU) (CuDeco) is pleased to announce a maiden Ore Reserve Estimate for its 100% owned Rocklands Group Copper Project which underpins the project's planned, Stage-1, 10-year operation.

Total Ore Reserve: 28Mt @ 0.9% Spec_CuEq

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

comprising

Proved Ore Reserve: 23Mt @ 1.0% Spec_CuEq

(0.77% Cu, 0.15g/t Au, 382ppm Co, 7.1% Mag)

and

Probable Ore Reserve: 5Mt @ 0.6% Spec_CuEq

(0.45% Cu, 0.11g/t Au, 232ppm Co, 5.0% Mag)

Within the Ore Reserve

High-grade Ore Reserve: 10Mt @ 1.61% Spec_CuEq

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

Low-grade Ore Reserve: 17Mt @ 0.48% Spec_CuEq

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

The Maiden Ore Reserve Estimate was prepared by Australian Mine Design and Development (AMDAD), and is based on the November 2013 Mineral Resource Estimate for Rocklands prepared by Mining Associates Pty Ltd. The Ore Reserve is based on the Stage-1, 10-year mine plan also prepared by Australian Mine Design and Development (AMDAD), as part of the 2015 Rocklands Feasibility Study that is set to be released shortly.

The Rocklands Ore Reserve Estimate has been finalised as part of a Feasibility Study of the Rocklands Project currently being by prepared by CuDeco and its consultants. The Feasibility Study covers resource estimation, mining, processing, marketing, environment, community and financial modelling. The Feasibility Study indicates that the project is technically and economically viable for the metal prices assumed.

Mining operations commenced at the Rocklands Project in 2012. The Las Minerale Stage 1 open pit is completed, Las Minerale Stage 2 has been mined down approximately 45m below surface to 180mRL, the Las Mineral Final Stage has been mined down to 215mRL, Rocklands South has been cleared and grubbed to the final pit limit with some surface mining to 5m depth, Southern Rocklands Extended pit has been mined down to 208mRL, approximately 12m below surface. Most of the parameters adopted for the mine plan are based on Rocklands mining operations experience to-date, including projected life of mine mining costs of $3.20 per tonne. Ore mined to-date of 2.2 Mt has been stockpiled ready for process plant commissioning. Construction of the processing plant and general site infrastructure is nearing completion.

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

Phone: +617 5503 1955 Facsimile: +617 5503 0288 Email: admin@cudeco.com.au

Commenting on the Reserve Estimate, CuDeco Managing Director Peter Hutchison said: "In the absence of a Reserve Estimate, in-house modelling has been used for mine planning and financial modelling. The Reserve Estimate provides confirmation that not only was this in-house modelling accurate, but remarkably so given it was initially prepared some three years ago in a very different economic environment. We now have increased confidence in the project's economics to support planned mining and processing at Rocklands."

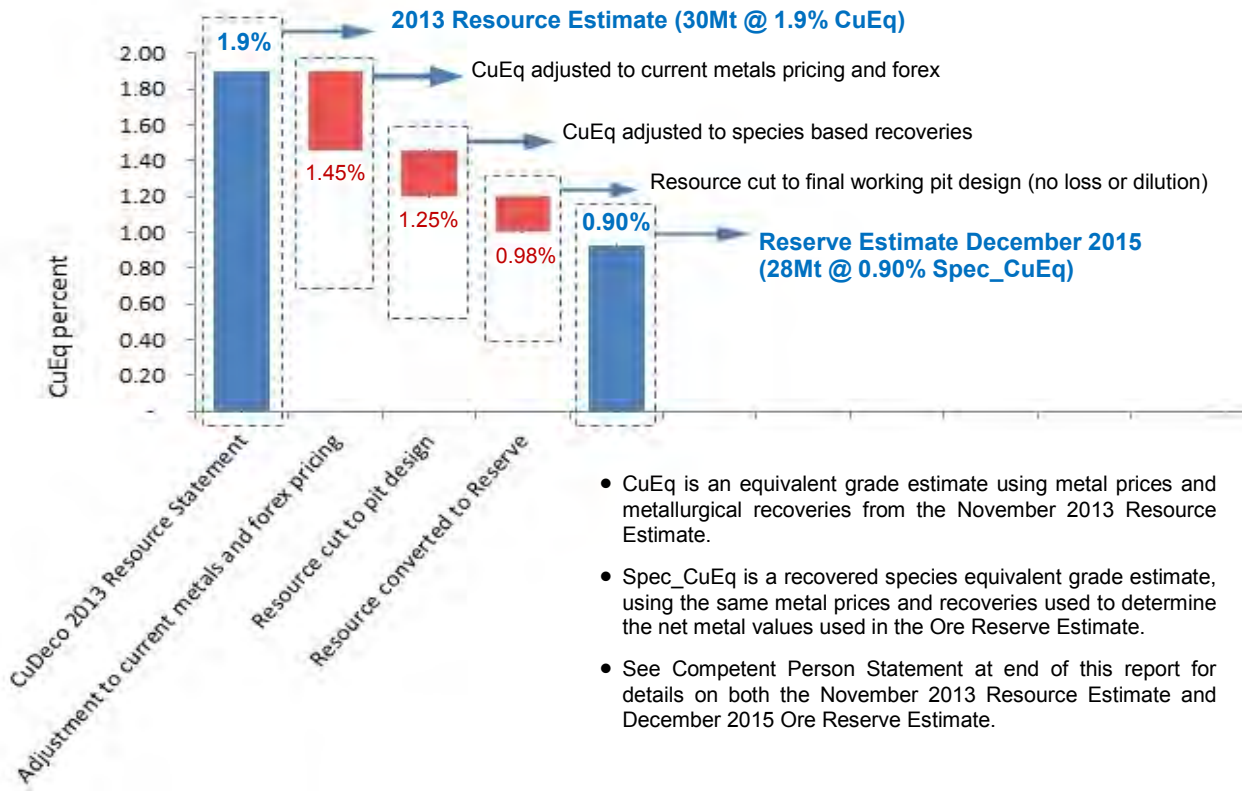
CuDeco's interim Independent Non-Executive Chairman, David Taylor said: "The Reserve Estimate is a significant milestone in the development of Rocklands, providing further evidence of the project's viability despite the challenging economic conditions faced by the mining industry at present. The release of the Reserve Estimate will underpin operations going forward and also reflects on the greater level of transparency being adopted by the new management of CuDeco.

"The recent strengthening of the Rocklands leadership team, the attraction of significant new investment and the upcoming completion of the project's Feasibility Study demonstrate the Board and management's success in progressing our flagship project. Based on the strong interest in the Rights Issue, we are ticking all the boxes for investors as we work towards unlocking significant revenue for the benefit of all shareholders."

Reserve Estimate Highlights

- **Ore Reserve includes Proved Stockpiled ore of 2.2Mt @ 1.34% Spec_CuEq**
  (1.02% Cu, 670ppm Co, 0.19g/t Au, 6.6% magnetite)
- **252,000 tonnes of contained copper metal equivalent**
  (199,000 tonnes of copper, 126,000 ounces of gold, 10,000 tonnes of cobalt and 1.9Mt tonnes of magnetite)
- **Strip ratio of 4.0:1**

Comparison of November 2013 Resource Estimate to December 2015 Ore Reserve Estimate



- CuEq is an equivalent grade estimate using metal prices and metallurgical recoveries from the November 2013 Resource Estimate.
- Spec_CuEq is a recovered species equivalent grade estimate, using the same metal prices and recoveries used to determine the net metal values used in the Ore Reserve Estimate.
- See Competent Person Statement at end of this report for details on both the November 2013 Resource Estimate and December 2015 Ore Reserve Estimate.

Feasibility Study

The Rocklands Ore Reserve Estimate has been finalised as part of a Feasibility Study of the Rocklands Project currently being by prepared by CuDeco and its consultants. The Study covers the following topics – Geology, Resource Estimation, Reserves, Geotechnical, Mine Development, Infrastructure, Equipment Selection, Mine Operations, Access and Transport, Power, Water Balance, Site Earth Works, Built Infrastructure, Metallurgy and Testwork, Processing, Tailings Storage, Environmental, Operations Management Plan, Implementation Plan, Capital and Operating Costs, Cost to Completion, Implementation and Operations Management Plan, Owners Matters and Risks.

The Plan of Operations currently in-place by CuDeco for ML permitting and approved by the Queensland Government has been used as the basis for the Feasibility Study. This envisages a smaller, higher grade open pit only mining operation for 8 years with copper production via processing 3Mpta over a 10 year life, the last 2 years being from stockpiles. Magnetite and low-grade copper material would be stockpiled separately for possible future use. Production of additional material from underground at higher grades is possible but is not being considered at present so is not included in the Feasibility Study or current reserves.

The Feasibility Study indicates that the project is technically and economically viable for the metal prices assumed. Mining operations commenced at the Rocklands Project in 2012. The Las Minerale Stage 1 open pit is completed, Las Minerale Stage 2 has been mined down approximately 45m below surface to 180mRL, the Las Mineral Final Stage has been mined down to 215mRL, Rocklands South has been cleared and grubbed to the final pit limit with some surface mining to 5m depth, Southern Rocklands Extended pit has been mined down to 208mRL, approximately 12m below surface. Most of the parameters adopted for the mine plan are based on Rocklands mining operations experience to-date. Ore mined to-date of 2.2 Mt has been stockpiled ready for process plant commissioning. Construction of the processing plant and general site infrastructure is nearing completion.

Details of factors considered in Ore Reserve Estimates section of the Feasibility Study are included in the enclosed report by AMDAD and JORC Table 1 Section 4 (attached) and summarised below.

Parameter	Value
Mining Dilution	0.5m skin
Dilution grade	Adjacent block
Mining Recovery	95%
Mining rate limit (Mt per quarter)	Commences at 2.7Mt per quarter and increases to 5Mt
Processing rate limit (Mtpa)	3Mtp from period 3
Processing Recovery	
Chalcocite fresh	90%
Chalcopyrite fresh	95%
Native Copper fresh	95%
Oxides	65%
Cobalt fresh	90%
Gold	95%
Magnetite	80%
Ore and Waste Volumes	
Ore	10 M bcm
Waste	39.9 M bcm
Mining Costs	
Mining Costs (A$/t)	$2.50 at 225mRL, plus 10c for each 10m increment = average LoM $3.20/t

Parameter	Value
Processing Costs (gravity and floatation)	
Crush (A$/t ore)	1.16
Grind (A$/t ore)	4.43
Process (A$/t ore)	6.54
Tails (A$/t ore)	0.68
Total (A$/t ore)	**12.81**
Metal Prices (AUD)	
Copper A$/lb	3.20
Cobalt A$/lb	18
Gold A$/oz	1,200
Magnetite A$/t	140
Other factors	
Discount Rate	7%
General and Admin	A$6.3M per annum
Royalties	A$2.81/t milled
Concentrate Transport	A$5.21/t milled
TC/RC	A$9.94/t milled
Working Capital	A$2.33/t milled

Ore Reserves Summary

The Ore Reserve Estimate is summarised in Table 1 and broken down by mill feed types. Open pit operations at Rocklands commenced in late 2012 and this Ore Reserve Estimate includes stockpiled ore up to the end of June 2015 and ore remaining in the designed open pits after this date. Proved ore includes stockpiled material. A breakdown of Proved ore by stockpiled ore and ore remaining in the pits is summarised in Table 2. Total waste and ore volume are summarised in Table 3. A further breakdown of ore by high grade and low grade categories is summarised in Table 4.

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

Table 2 Rocklands Breakdown of Proved Reserves

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% Spec_CuEq
Unmined Proved	OX	0.8	0.81	236	0.16	3.0	0.68
	NC_OX	0.1	1.62	639	0.24	2.0	1.59
	NC_CC	1.0	2.13	797	0.27	2.6	2.22
	NC_CPY	2.0	0.92	617	0.14	3.8	1.15
	CC	0.3	0.87	296	0.19	3.3	0.96
	CPY	13.4	0.71	339	0.15	10.1	1.00
	BG	3.1	0.26	212	0.07	2.2	0.30
	Total	20.8	0.74	366	0.14	7.5	0.96
Stockpiled Proved	OX	0.2	1.14	549	0.17	3.6	1.03
	NC_OX	0.1	1.68	823	0.21	1.9	1.51
	NC_CC	0.8	1.41	726	0.21	2.6	1.43
	NC_CPY	0.1	1.28	610	0.23	4.0	1.38
	CC	0.0	0.55	406	0.09	4.7	0.58
	CPY	0.4	1.12	494	0.20	3.1	1.16
	BG	0.6	0.24	220	0.05	2.2	0.26
	Total	2.2	1.02	533	0.16	2.7	1.02
Total 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

Table 3 Total Ore and Waste Volumes

Pit Volumes	Million BCM
Ore	10.0
Waste Rock	39.9
Total	49.9
Waste:Ore bcm:bcm	4.0

Table 4 Breakdown of High Grade and Low Grade Ore

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% Spec_CuEq
High Grade (>0.5%Cu)	OX	0.4	1.26	331	0.20	2.0	1.01
	NC_OX	0.3	1.65	675	0.22	1.7	1.55
	NC_CC	1.5	2.20	756	0.28	2.4	2.22
	NC_CPY	1.1	1.47	613	0.21	3.9	1.69
	CC	0.2	1.22	318	0.26	3.4	1.30
	CPY	6.9	1.20	439	0.23	8.6	1.51
	BG	-	-	-	-	-	-
	Total	10.4	1.39	504	0.24	6.6	1.61
Low Grade	OX	0.68	0.65	292	0.14	3.8	0.60
	NC_OX	0.0	0.56	550	0.11	3.1	0.51
	NC_CC	0.8	0.51	532	0.09	2.9	0.64
	NC_CPY	1.4	0.40	495	0.08	3.4	0.58
	CC	0.2	0.32	287	0.08	3.3	0.40
	CPY	9.6	0.28	240	0.09	10.0	0.53
	BG	4.6	0.26	210	0.06	2.2	0.29
	Total	17.4	0.31	269	0.08	6.8	0.48
Total Ore	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

Notes:

- The tonnes and grades shown in the totals rows are stated to a number of significant figures reflecting the confidence of the estimate. However the significant figures of the tonnes and grades for the individual ore types are not intended to reflect the confidence of the estimate for each ore type. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.

Glossary of mill types:

- OX – oxide ore
- NC_OX – oxide copper plus native copper
- NC_CC – chalcocite plus native copper
- NC_CPY – chalcopyrite plus native copper
- CC – chalcocite ore
- CPY – chalcopyrite ore
- BG – blend grade below 0.3% Spec_CuEq

- The estimate is based on a net metal value cut-off and a minimum copper (Cu) grade of 0.1%. Any material with a net value greater than zero, (i.e. revenue from metal is greater than all treatment and selling costs), is classified as ore. The net metal value has been determined by the following prices and recoveries along with a processing cost of A$12.81 per tonne of ore:

Table 6 Recoveries and Prices Used in the Net Metal Value Calculation

Metal	Cu Species	Recovery	Net Price
Copper	Bornite	92%	A$3.20/lb
	Chalcocite	90%	
	Chalcopyrite	95%	
	Native Copper	95%	
	Malachite & Azurite	65%	
	Other oxides	65%	
Cobalt		Variable	A$18.00/lb
Gold		75%	A$1200/oz
Magnetite		80%	A$140/t (DMS magnetite)

- CuDeco defined the Spec_CuEq formula, which is a recovered grade, using the same metal prices and recoveries used to determine the net metal value.

Note, Cobalt recovery is related to pyrite content and does not exceed 90%

CuDeco defines Spec_CuEq% as:

∑ [(Copper species%) x (species copper content) x (species copper recovery)]

+ (ppm cobalt) x (cobalt recovery) x (net cobalt price) / (net copper price)

+ (g/t gold) x (gold recovery) x (net gold price) / (net copper price)

+ if[%magnetite<2,0,(%magnetite – 2) x (magnetite recovery) x (net magnetite price)/(net copper price)]

Key contributors to the Reserve Estimate include:

- Australian Mine Design and Development Pty Ltd (Reserve Estimate, Pit Optimisation, Mine Design, and Scheduling)
- ATC Williams Pty Ltd (Tailings storage facility (TSF) design, construction schedule, TSF costs, and TSF water management)
- Mining Associates Pty Ltd (Mineral Resources)
- Pells Sullivan Meynink (Pit wall design guidelines)
- CuDeco (Ore processing costs, general site operating costs, metallurgical recoveries and metal prices)

On behalf of the Board.

-ends

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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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	%	%	%	Mlb	Mlb	Mlb
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. 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.

"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."

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

AUSTRALIAN MINE DESIGN AND DEVELOPMENT PTY LTD

A.B.N. 16 010 977 330

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Ore Reserves Statement

Rocklands Group Copper Project, Australia

(*Insert name or heading of Report to be publicly released*) ('Report')

CuDeco Ltd

(*Insert name of company releasing the Report)*

Rocklands Group Copper Project

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

9th December 2015

(Date of Report)

Office:	*Brisbane*		*Sydney*	
Address:	*PO Box 15366*	*Level 4*	*PO Box 381*	*Suite14*
	City East QLD 4002	*46 Edward Street*	*Rozelle NSW 2039*	*340 Darling Street*
		Brisbane QLD 4000		*Balmain NSW 2041*
Telephone:	*61 7 3012 9256*		*61 2 9555 5309*	
Facsimile:	*61 7 3012 9284*		*61 2 9810 1329*	
Email:	*Chris.desoe@amdad.com.au*		*John.wyche@amdad.com.au*	

Statement

I/~~We~~,

John Wyche

(*Insert full name(s)*)

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of

(Insert company name)

Or

I/~~We~~ am a consultant working for

Australian Mine Design and Development Pty Ltd

(Insert company name)

and have been engaged by

CuDeco Ltd

(Insert company name)

to prepare the documentation for

Rocklands Group Copper Project

(Insert deposit name)

on which the Report is based, for the period ended

9th December 2015

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to ~~Exploration Targets, Exploration Results, Mineral Resources and/or~~ Ore Reserves *(select as appropriate)*.

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

CuDeco Ltd

(Insert reporting company name)

Signature of Competent Person:	Date: 9th December 2015
Professional Membership: *(insert organisation name)* Member AusIMM	Membership Number: 104076
Signature of Witness:	Print Witness Name and Residence: (eg town/suburb)

Additional deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

Not applicable

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

Not applicable

Signature of Competent Person:	Date:
Professional Membership: *(insert organisation name)*	Membership Number:
Signature of Witness:	Print Witness Name and Residence: (eg town/suburb)

Ore Reserves Statement

Rocklands Group Copper Project, Australia

Prepared by Australian Mine Design and Development Pty Ltd

for

CuDeco Limited

Authors: John Wyche, Peter Allen and Chris Desoe - AMDAD

Effective Date: 9 December 2015
Submitted Date: 9th December 2015
Reference: MA1531

Office: *Brisbane*
Address: *PO Box 15366* *Level 4*
City East QLD 4002 *46 Edward Street*
Brisbane QLD 4000
Telephone: *61 7 3012 9256*
Facsimile: *61 7 3012 9284*
Email: *Chris.desoe@amdad.com.au*

Sydney
PO Box 381 *Suite 14*
Rozelle NSW 2039 *340 Darling Street*
Balmain NSW 2041
61 2 9555 5309
61 2 9810 1639
John.wyche@amdad.com.au

1 ORE RESERVE ESTIMATES

1.1 INTRODUCTION

Australian Mine Design and Development Pty Ltd (AMDAD) prepared a mine plan for the Rocklands Group Copper Project, in conjunction with the 2015 Rocklands Feasibility Study. The Mining Section of the Feasibility Study details the key parameters, methodologies and assumptions used in the preparation of the mine plan and generation of the December 2015 Ore Reserve Estimate for Rocklands.

Key project inputs provided to AMDAD for the mine plan include:-

- The resource model prepared by Mining Associates Pty Ltd (MAPL) in November 2013,
- Pit wall design guidelines by Pells Sullivan Meynink (PSM),
- Ore processing costs, general site operating costs, metallurgical recoveries and metal prices provided by CuDeco.

The work completed by AMDAD to prepare the mine plan included:-

- Pit Optimisation,
- Mine Design, and
- Scheduling.

1.2 ORE RESERVES STATEMENT

1.2.1 Scope

The December 2015 Rocklands Ore Reserves Estimate was prepared for CuDeco Limited (CuDeco) by AMDAD. It deals with the resources for the Rocklands copper deposit in NW Queensland, Australia, that underpins the Rocklands Project. All of the reserves are for extraction by open pit mining. The Rocklands Project is held 100% by CuDeco.

This Ore Reserves Estimate is based on the November 2013 Mineral Resource Estimate for Rocklands prepared MAPL and the mine plan prepared by AMDAD as part of the 2015 Rocklands Feasibility Study.

1.2.2 Ore Reserves Summary

The Ore Reserve Estimate is summarised in Table 1 and broken down by mill feed types.

Open pit operations at Rocklands commenced in late 2012 and this Ore Reserve Estimate includes stockpiled ore up to the end of June 2015 and ore remaining in the designed open pits after this date. Proved ore includes stockpiled material. A breakdown of Proved ore by stockpiled ore and ore remaining in the pits is summarised in Table 2. Total waste and ore volume are summarised in Table 3. A further breakdown of ore by high grade and low grade categories is summarised in Table 4.

Table 1 Rocklands Group Copper Project Ore Reserves

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% 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

Table 2 Rocklands Breakdown of Proved Reserves

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% CuEq
Unmined Proved	OX	0.8	0.81	236	0.16	3.0	0.68
	NC_OX	0.1	1.62	639	0.24	2.0	1.59
	NC_CC	1.0	2.13	797	0.27	2.6	2.22
	NC_CPY	2.0	0.92	617	0.14	3.8	1.15
	CC	0.3	0.87	296	0.19	3.3	0.96
	CPY	13.4	0.71	339	0.15	10.1	1.00
	BG	3.1	0.26	212	0.07	2.2	0.30
	Total	20.8	0.74	366	0.14	7.5	0.96
Stockpiled Proved	OX	0.2	1.14	549	0.17	3.6	1.03
	NC_OX	0.1	1.68	823	0.21	1.9	1.51
	NC_CC	0.8	1.41	726	0.21	2.6	1.43
	NC_CPY	0.1	1.28	610	0.23	4.0	1.38
	CC	0.0	0.55	406	0.09	4.7	0.58
	CPY	0.4	1.12	494	0.20	3.1	1.16
	BG	0.6	0.24	220	0.05	2.2	0.26
	Total	2.2	1.02	533	0.16	2.7	1.02
Total 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

Table 3 Total Ore and Waste Volumes

Pit Volumes	Million BCM
Ore	10.0
Waste Rock	39.9
Total	49.9
Waste:Ore bcm:bcm	4.0

Table 4 Breakdown of High Grade and Low Grade Ore

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% CuEq
High Grade (>0.5%Cu)	OX	0.4	1.26	331	0.20	2.0	1.01
	NC_OX	0.3	1.65	675	0.22	1.7	1.55
	NC_CC	1.5	2.20	756	0.28	2.4	2.22
	NC_CPY	1.1	1.47	613	0.21	3.9	1.69
	CC	0.2	1.22	318	0.26	3.4	1.30
	CPY	6.9	1.20	439	0.23	8.6	1.51
	BG	-	-	-	-	-	-
	Total	10.4	1.39	504	0.24	6.6	1.61
Low Grade	OX	0.68	0.65	292	0.14	3.8	0.60
	NC_OX	0.0	0.56	550	0.11	3.1	0.51
	NC_CC	0.8	0.51	532	0.09	2.9	0.64
	NC_CPY	1.4	0.40	495	0.08	3.4	0.58
	CC	0.2	0.32	287	0.08	3.3	0.40
	CPY	9.6	0.28	240	0.09	10.0	0.53
	BG	4.6	0.26	210	0.06	2.2	0.29
	Total	17.4	0.31	269	0.08	6.8	0.48
Total Ore	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

Notes:

- The tonnes and grades shown in the totals rows are stated to a number of significant figures reflecting the confidence of the estimate. However the significant figures of the tonnes and grades for the individual ore types are not intended to reflect the confidence of the estimate for each ore type. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.
- Glossary of mill types:
    - OX – oxide ore
    - NC_OX – oxide copper plus native copper
    - NC_CC – chalcocite plus native copper
    - NC_CPY – chalcopyrite plus native copper
    - CC – chalcocite ore
    - CPY – chalcopyrite ore
    - BG – blend grade below 0.3%CuEq
- The estimate is based on a net metal value cut-off and a minimum copper (Cu) grade of 0.1%. Any material with a net value greater than zero, i.e. revenue from metal is greater than all treatment and selling costs, is then as ore if it has a copper grade above 0.1%. The net metal value metal has been determined by the following prices and recoveries along with a processing cost of A$12.81:

Table 5 Recoveries and Prices Used in the Net Metal Value Calculation

Metal	Cu Species	Recovery	Net Price
Copper	Bornite	92%	A$3.20/lb
	Chalcocite	90%	
	Chalcopyrite	95%	
	Native Copper	95%	
	Malachite & Azurite	65%	
	Other oxides	65%	
Cobalt		Variable	A$18.00/lb
Gold		75%	A$1200/oz
Magnetite		80%	A$140/t

- CuDeco defined the CuEq formula, which is a recovered grade, using the same metal prices and recoveries used to determine the net metal value.

  Note, Cobalt recovery is related to pyrite content and does not exceed 90%

  CuDeco defines CuEq% as:

  ∑ [(Copper species%) x (species copper content) x (species copper recovery)]

  + (ppm cobalt) x (cobalt recovery) x (net cobalt price) / (net copper price)

+ (g/t gold) x (gold recovery) x (net gold price) / (net copper price)

+ if[%magnetite<2,0,(%magnetite – 2) x (magnetite recovery) x (net magnetite price)/(net copper price)]

1.2.3 Contributing Persons

The Ore Reserve Estimate prepared by AMDAD was supported by contributions from the persons listed in Table 6.

1.2.4 Accord with JORC Code

This Ore Reserves Statement has been prepared in accordance with the guidelines of the Australasian Code for the Reporting of Resources and Reserves 2012 Edition (the JORC Code).

The Competent Person signing off on the overall Ore Reserves Estimate is Mr John Wyche, of Australian Mine Design and Development Pty Ltd, who has 32 years of relevant experience in operations and consulting for open pit metalliferous mines.

Table 6 Contributing Experts

Expert Person/Company	Area of Expertise	References
Andrew Vigar (MAPL)	Rocklands geological modelling, resource modelling, resource estimate, modelling of internal dilution in the resource model.	November 2013 Rocklands resource model rocklands_meas_gda.mdl, in Surpac block model format, provided to AMDAD by Mining Associates Pty Ltd.
Guy Grocott (Pells Sullivan Meynink Ltd)	Open pit wall design parameters for Rocklands.	Pells Sullivan Meynink , 2014: Rocklands Group Copper Project: Geotechnical Review of Pit Slope Designs. Consultant's report prepared for CuDeco Ltd, reference PSM1678-027R dated August 2014.
Ryan Kemp (CuDeco)	Open pit mining methods and equipment.	Rocklands Group Copper Project Feasibilty Study Section 16: Mine Methods, November 2015, Compiled by Mining Associates Pty Ltd. *Section 16.pdf*
John Wyche (AMDAD)	Overall sign-off of Ore Reserves	Rocklands Group Copper Project Feasibilty Study Section 15: Ore Reserve Estimate, November 2015, Compiled by Mining Associates Pty Ltd.
Peter Allen (AMDAD)	Whittle pit optimisation, pit stage designs, dilution/loss, Ore Reserves estimation. Life of Mine schedule.	Rocklands Group Copper Project Feasibilty Study Section 15: Ore Reserve Estimate, Appendix 1, November 2015, Compiled by Mining Associates Pty Ltd, *1713AMD20151116_R3_Final_Mining_Report_AMDAD_standalone.pdf*
Ralph Holding (ATC Williams)	Tailings storage facility (TSF) design, construction schedule, TSF costs, and TSF water management.	
Aaron Day (Cudeco)	Site hydrological assessment and mine water management.	
Maree Arnold (CuDeco)	Environmental and social impacts and management plans, and closure requirements.	Rocklands Group Copper Project Feasibility study section 20: Environmental studies, permitting and community impact
Peter Hutchinson (CuDeco)	Rocklands process performance predictions including metal recoveries, processing rate, tailings characteristics, processing, general and administration operating costs, process design, project capital costs, and cutoff grades.	Process performance predictions for 3.0Mtpa process plant for Rocklands including metal recoveries, processing operating costs contained in *Metallurgy Summary 20110524 Final.pdf* and related documents.
Aaron Day (Cudeco)	Site infrastructure design and estimates and logistics aspects.	Site infrastructure design files in dwg and pdf format. *Site Infrastructure Locality Map.jpg*

David Wilson (CuDeco)	Ground surface model	Ground surface model:- aerial_data_Double_oxide.str.
Steve Jackson (CuDeco)	General project economics. Mine operating costs.	Financial modelling report, docx and spreadsheet results.

JORC Code, 2012 Edition – Table 1

Notes on data relating to Rocklands Project Resource Estimates. Data provided by CuDECO Ltd and verified by MA.

1.1 JORC TABLE 1 - SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

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.*	▪ The resource estimate is based on drill samples only, no surface samples were used. ▪ Representative 1 metre samples were taken from ¼ (NQ, HQ) or ½ (NQ, BQ) diamond core. Reverse circulation (RC) and rotary air blast (RAB) drilling was used to obtain 1 m and 3 m samples respectively, from which 3 kg was used for sample analysis. ▪ RAB samples were deemed to be unrepresentative and prone to bias and were not used for resource estimation purposes. ▪ Only assay result results from recognised, independent assay laboratories were used for Resource estimation after QAQC was verified.
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).*	▪ Diamond (DD) of NQ, PQ, HQ and BQ diameters with standard and triple tube sample recovery and reverse circulation (RC) with "through the bit" sample recovery data were used for geological interpretation and resource estimation. ▪ Where high rates of water inflow were encountered, or for drill holes exceeding depth limits of RC drilling, DD tails were added to complete drilling. ▪ Current practice is to use DD only in mineralised zones.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	▪ DD core recovery averaged 98% overall, and exceeded 80% in 96% of the meters drilled in the mineralised zone. ▪ RC recovery was recorded as bag size estimate and bag weight for all samples ▪ RC - In most cases when chip recovery was poor and sample became

Criteria	JORC Code explanation	Commentary
	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.*	wet the hole was stopped and a diamond tail was added. ▪ DD - Analysis of recovery results vs grade indicates no significant trend occurs indicating bias of grades due to diminished recovery and / or wetness of samples. ▪ RC - Loss of native copper in the weathered portion of the mineralised zones at Las Minerale and Rocklands South was identified and could result in an underestimation of the copper grade when using RC drill data, in certain circumstances. In areas where native copper is prevalent, core samples were given preference for use in estimation.
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. ▪ Early (2006 to mid 2008) rock chip and core samples were logged on paper and data entry completed by a 3rd Party Contractor and Database administrator in 2008. ▪ Since 2008, rock chip and core samples were logged on site directly into Microsoft Excel field data capture templates with self-validating drop down field lists. ▪ Drill core was photographed after being logged by the geologist. ▪ Drill core not used for bulk metallurgical testing and RC drill chips are stored at the Rocklands site.
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.*	▪ All DD core was orientated along the bottom of hole, where possible. A cut line was drawn 1 cm to the right of the core orientation line. ▪ Core was cut with a diamond saw, ½ core was used for NQ and BQ analysis, ¼ core was used for HQ and PQ analysis to standardise the sample size per meter. ▪ RC samples were split using a riffle splitter attached to the cyclone on the drill rig. ▪ Sample intervals in DD and RC were 1 m down-hole in length unless the last portion of DD hole was part of a metre. SGS Minerals Townsville Sample Preparation: ▪ All samples were dried. Drill core was placed through jaw crusher and crushed to approx. 8mm. RC chips and core were split if necessary to a sample of less than approximately 3.5kg. ▪ Native copper samples were prepared by 2 methods. Grain size of native copper determined which method was used.: o Samples where native copper grain size was less than 2mm were disc ground to approximately 180µm. 500g was split and lightly pulverised for 30 seconds to approximately 100µm. o Samples where native copper grain size was greater than 2mm were put through a roller crusher to approximately 3mm. Samples were sieved at 2mm with copper greater than 2mm hand picked out of sample. Material less than 2mm and residue above 2mm was disc ground to approximately 180µm. 500g was split from the sample and lightly pulverised for 30 seconds to approximately 100µm. ▪ All other sampled material not containing native copper was pulverised to a nominal 90% passing 75µm. AMDEL Bureau Veritas Mt Isa Sample Preparation ▪ After receiving, checking and sorting samples were dried at 103°C for 6 hours. ▪ Core samples were put through a jaw Crusher and crushed to approximately -10mm. Sample was split if sample weight over 3kg. ▪ Rock chip samples weighing over 3kg were crushed with the use of a Boyde crusher and split with 3kg of material retained. ▪ Samples were pulverised for 5 minutes in an LMS until 90% passed through -106µm. Sample was split with the remaining pulp put in storage.

Criteria	JORC Code explanation	Commentary
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.*	▪ Prior to May 2011, Cu and Co grades were determined predominately by 3 acid digest with either a ICP-AES (Inductively-Coupled Plasma Atomic Emission Spectrometer) or AAS (Atomic absorption Spectrometer) determination (SGS methods, ICP22D, ICP40Q, AAS22D AAS23Q, AAS40G). Post May 2011, Cu and Co grades were determined predominantly by 2 acid digest by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometer) determination at AMDEL Mt Isa laboratory. ▪ Prior to May 2011, Au grades were determined by 50g Fire Assay (at SGS Townsville method FAA505). Post May 2011, Au grades were determined by 40g Fire Assay (at AMDEL Adelaide and Mt Isa method FA1). ▪ Prior to May 2011, calcium and sulphur grades were determined by ICP – AES, post May 2011, sulphur grades were determined by aqua regia digest by ICP-OES. ▪ Magnetite grades were determined by measurements of magnetic susceptibility taken on samples, which were compared to Davis Tube test results to determine a non-linear regression. It is recognised that a low susceptibility portion of the magnetite does exist, and hence magnetite grades may be underestimated in certain locations, but no correction has been found reliable at this time. Additional clarification should be available after results of the current bulk-sample programme have been analysed. ▪ All analyses were carried out at internationally recognised, independent assay laboratories SGS, ALS, Genalysis, and Amdel Bureau Veritas. ▪ 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. Using results from an extensive re-assaying programme to define a regression formula, AAS Co assays were corrected to an equivalent ICP grade for estimation purposes. This correction factor affected 39% of samples in mineralised zones. ▪ 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, apart from a period of systematic laboratory error, where standards are suspected to have been only partially digested. In-house cobalt only standards are more variable in results than those of Ore Research copper and gold, which is attributed to the in-house origin. These were later replaced by the copper-cobalt-gold standards certified by Ore Research Pty Ltd. ▪ Re-assay programmes of sample intervals analysed prior to QAQC implementation, and those of the systematic laboratory error period have shown correlations between re-assay and original results to be chiefly within the realm of analytical error, and as such, acceptable. ▪ Field duplicates collected in three retrospective programmes were affected by weathering and cementing of samples, making assay comparison difficult. Recent duplicate samples, split and despatched with the originating drill hole, show good correlation within paired copper and cobalt results, although gold results are variable, which is attributed to coarse (>75µm) gold mineralisation. Core sample duplicates were attempted, but were considered by CuDECO to be of little use as a measure of assay repeatability, due to local variation in mineralisation. ▪ QAQC monitoring is an active and ongoing process on batch by batch basis by which unacceptable results are re-assayed as soon as practicable. ▪ An issue was found with early AAS sample grades for cobalt and a large

Criteria	JORC Code explanation	Commentary
		number of these samples have been re-assayed for Co via ICP methods. Enough data exists to define a close correlation between ICP and AAS results such that the remaining AAS assays were corrected using a linear regression formula (Co_ppm_ICP = 1.0764 * Co_ppm_AAS + 16.51). This affects approximately 39% of Co analyses in mineralised zones. ▪ A limited check assay program carried out in 2007 on 497 samples suggested that Cu may be understated by approximately 5%. ▪ DTR analysis (Davis tube recovery), which indicates magnetite content, has been carried out on 538 samples. Non-linear correlations with magnetic susceptibility readings on pulp samples, core and RC chips were defined and have been used to derive calculated magnetite contents for estimation purposes. An extensive program of magnetic susceptibility and DTR measurements on pulp samples is currently underway, which is expected to further refine calculated magnetite content.
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.*	▪ An umpire assay programme of 528 mineralised samples from 173 drill holes was completed by ALS Laboratories in 2007 ▪ Results between twinned RC and diamond holes are in approximate agreement, when taken into consideration with the natural variation associated with breccia-hosted ore bodies, identified coarse mineralisation, and subsequent weathering overprinting. ▪ All assay data QAQC is checked prior to loading into the CuDECO Explorer 3 data base. ▪ The CuDECO Explorer 3 data base was originally developed and managed by consulting geologists, Terra Search Pty Ltd, and was subsequently handed over to CuDECO Ltd in mid-2009. The data base and geological interpretation is collectively managed by the CuDECO Resource Committee, and relayed to the Resource Consultants by the nominated member of this committee, Exploration Adviser Mr David Wilson.
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 at Rocklands have been surveyed with a differential global positioning system (DGPS) to within 10 cm accuracy and recorded in the CuDECO Explorer 3 database. ▪ All drill holes, apart from vertical, have had down hole magnetic surveys at intervals not greater than 50 m and where magnetite will not affect the survey. Surveys where magnetite is suspected to have influenced results have been removed from the Database. ▪ Where surveys are dubious the hole was resurveyed, where possible, via open hole in non-magnetic material.
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 nominal local grid north-south sections, commencing at 100 m spacing and then closing to 50 m and 25 m for resource estimation. Local drilling in complex near-surface areas is further closed in to 12.5m ▪ Vertical spacing of intercepts on the mineralised zones similarly commences at 100 m spacing and then closing to 50m and 25m for resource estimation, again some closer spacing is used in complex areas. ▪ Drilling has predominantly occurred with angled holes approximately 55° to 60° inclination below the horizontal and either drilling to the local grid north or south, depending on the dip of the target mineralised zone. ▪ Holes have been drilled to 600 m vertical depth ▪ Drilling is currently focused on the known mineralised zones of Las Minerale and Las Minerale East; Rocklands South and South Extension; Rocklands Central and Le Meridian; Rainden, Solsbury Hill and Fairfield. ▪ Data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and has been taken into account in 3D space when determining the classifications to be applied.

Criteria	JORC Code explanation	Commentary
		▪ Samples were composited to 2m down-hole for resource estimation in the known wireframe constrained mineralised zones and 10m down-hole in the general lithology zone (Inferred only).
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 local grid north-south section lines along the strike of the known mineralised zones and from either the north or the south depending on the dip ▪ Vertical to south dipping ore bodies at Las Minerale, Rocklands South Extended, Rainden and Solsbury Hill, were predominantly drilled to the north whilst vertical to north dipping ore bodies at Las Minerale East, Rocklands South, Rocklands Central and Le Meridian were predominantly drilled to the south. Fairfield strikes northeast to the local grid and is vertically dipping, most drill holes intersect at a low-moderate angle. ▪ Scissor drilling, (drilling from both north and south), as well as vertical drilling, has been used in key mineralised zones at Las Minerale and Rocklands South to achieve unbiased sampling of possible structures, mineralised zones and weathering horizons. ▪ Horizontal layers of supergene enrichment occur at shallow depths in Las Minerale and Rocklands South and a vertical drill program was undertaken to address this layering and to provide bulk samples for metallurgical test work.
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. External reviews and audits of sampling have been conducted by the following groups; ▪ 2007 – In July 2007, Snowden were engaged to conduct a review of drilling and sampling procedures at Rocklands, provide guidance on potential areas of improvement in data / sample management and geological logging procedures, and to ensure the Rocklands sampling and data record was appropriate for use in resource estimation. All recommendations were implemented. ▪ 2010 – In early 2010 Hellman & Schofield conducted a desktop review of the Rocklands database, as part of their due diligence for the resource estimate they completed in May 2010. Apart from limited logic and spot checks, the database was received on a “good faith” basis with responsibility for its accuracy taken by CuDECO. A number of issues were identified by H&S but these were largely addressed by CuDECO and H&S regarded unresolved issues at the time of resource estimation as unlikely to have a material impact on future estimates. ▪ 2010 - Mr Andrew Vigar of Mining Associates Limited visited the site in 12 to 15 October, 3 to 5 November and 8 to 10 December 2010 during the compilation of detailed review the drilling, sampling techniques, QAQC and previous resource estimates and 17 to 19 March 2011 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.

1.2 JORC TABLE 1 - SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• 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.</td><td>▪ The Rocklands Project is located within granted mining leases ML90177 and ML90188, and Infrastructure Lease ML90219. Landowner agreements formed part of the granting, and remain current for the duration of the mining leases.
▪ Native Title Ancillary agreements have been signed with the Mitakoodi & Mayi peoples and the Kalkadoon peoples, the local custodians of the areas covered by the mining leases.
▪ Mining Leases detailed above are granted for a period of 30 years; there is no known impediment to operating for this period of time. The Project operates under a Plan of Operations, the most recent of which was approved on 17th October, 2013.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>▪ Previous reports on the Double Oxide mine by CRA and others between 1987 and 1994 describe a wide shear zone containing a number of sub parallel mineralised zones with a cumulative length of 6 km.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>▪ Hosted within metamorphosed meso-Proterozoic age volcano-sedimentary rocks and intrusive dolerites of the Eastern Fold Belt of the Mt Isa Inlier. Dominated by dilational brecciated shear zones containing coarse patchy to massive primary mineralisation, with high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper in oxide. 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 remains open at depth.</td></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>▪ Summary of drilling by type and year is given in the table below. Note that some DD holes are tails on the end of RC pre-collars, such that the number of DD collars is overstated. The total number of drill hole collars and all drilling metres are correct.
<table>
<tr><th>Drilling Type</th><th></th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>Total</th></tr>
<tr><td rowspan="2">RAB</td><td># holes</td><td>1514</td><td>499</td><td>1668</td><td>145</td><td>3826</td></tr>
<tr><td>metres</td><td>7820</td><td>2819</td><td>18741.5</td><td>2211</td><td>31591.5</td></tr>
<tr><td rowspan="2">DD</td><td># holes</td><td>239</td><td>111</td><td>235</td><td>28</td><td>613</td></tr>
<tr><td>metres</td><td>47286.04</td><td>17386.68</td><td>24749.41</td><td>7507.9</td><td>96930.03</td></tr>
<tr><td rowspan="2">RC</td><td># holes</td><td>1491</td><td>84</td><td>2</td><td></td><td>1577</td></tr>
<tr><td>metres</td><td>221263.1</td><td>9850.8</td><td>195.7</td><td></td><td>231309.6</td></tr>
<tr><td rowspan="2">Geotech DD</td><td># holes</td><td></td><td></td><td>8</td><td></td><td>8</td></tr>
<tr><td>metres</td><td></td><td></td><td>182.6</td><td></td><td>182.6</td></tr>
<tr><td rowspan="2">Open Hole</td><td># holes</td><td></td><td></td><td>1</td><td>6</td><td>7</td></tr>
<tr><td>metres</td><td></td><td></td><td>285</td><td>1394</td><td>1679</td></tr>
<tr><td rowspan="2">Total</td><td># holes</td><td>3109</td><td>684</td><td>1914</td><td>179</td><td>5886</td></tr>
<tr><td>metres</td><td>276369.14</td><td>30056.48</td><td>44154.21</td><td>11112.9</td><td>361692.73</td></tr>
</table></td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade</td><td>▪ Intercepts from individual drilling programs have been reported by CuDECO in separate ASX announcements and are not repeated here.
▪ Informing Samples were composited to two metre lengths honouring the</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	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.*	geological domains and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit). ▪ Metal equivalents are not used in domaining, but are reported. The formulae used are as follows ▪ CuCoAu equivalent grades were based on metal prices and metallurgical recoveries provided by CuDECO and refer to recovered equivalents: ▪ Cu 95% recovery US$2.00 per Pound ▪ Co 90% recovery US$26.00 per Pound ▪ Au 75% recovery US$900.00 per Ounce ▪ Magnetite 75% recovery US$195 per Tonne ▪ The recovered copper equivalent formula was: CuCoAu%= Cu% + Co ppm *0.001232 + Au ppm *0.518238 CuEq%= Cu% + Co ppm *0.001232 + Au ppm *0.518238 + Mag% *0.035342
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').*	▪ Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths. ▪ Exploration results have been reported by CuDECO in earlier statements to the ASX as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported. ▪ Resource estimation, as reported later, was done in 3D space.
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.*	▪ Tabulated intercepts for all drill holes is not considered applicable to a project with over 5000 drill holes and estimated resources. Results of individual drilling programmes with significant intercepts, maps and cross sections have been reported to the ASX by CuDECO at the time of drilling.
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.*	▪ Resources have been reported at a range of cut-off grades, above a minimum suitable for open pit mining.
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*	▪ Extensive work in these areas has been completed, and was reported by CuDECO in earlier statements to the ASX.

Criteria	JORC Code explanation	Commentary
	substances.	
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.*	▪ Mineralisation is open at depth. Current estimates are restricted to those expected to be reasonable for open pit mining. Limited drilling below this depth (-250m RL) shows widths and grades potentially suitable for underground extraction. CuDECO are currently considering target sizes and exploration programs to test this potential to 1,000m from surface.

1.3 JORC TABLE 1 - SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	▪ The Rocklands database is a Microsoft Access based Explorer 3 database system. ▪ Data is logged directly into an Excel spreadsheet logging system with drop down field lists. ▪ Validation checks are written into the importing program in the Explorer 3 data base, an error is triggered if data is not in correct format and ensures all data is of high quality. ▪ Digital assay data is obtained from the Laboratory, QAQC checked and imported into Explorer 3. ▪ Data tables were exported from Explorer 3 as a sub-set, also in MS Access format, and connected directly to the Gemcom Surpac mine software used by MA for interpretation and resource estimation. ▪ Data was validated prior to resource estimation by the reporting of basic statistics for each of the grade fields, including examination of maximum values, and visual checks of drill traces and grades on sections and plans. Errors were reported back to CuDECO for correction in the Explorer 3 Database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	▪ Mr Andrew Vigar of Mining Associates Limited visited the site from 12 to 15 October, 3 to 5 November and 8 to 10 December 2010, and from 17 to 19 March 2011 during the compilation of a detailed review of the drilling, sampling techniques, QAQC and previous resource estimates. Mr. Vigar also visited the site from 24 to 25 September 2013 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource*	▪ The Rocklands copper-cobalt-gold mineralisation is hosted in a series of subparallel, east south east trending, steeply dipping zones. Mineralised lodes occur within a metamorphosed sedimentary succession of siltstone, sandstone/quartzite, quartz magnetite/jaspilite lenses, calcareous beds and calc-silicates of Proterozoic age. Copper is the dominant mineralisation at Rocklands, lesser amounts of cobalt and gold. Copper mineralisation extends from surface to depth with overlapping oxide, secondary and primary styles of copper mineralisation. Mineralisation appears to be associated with and controlled by steeply dipping, west northwest trending, linear, structures that cut the shallow dipping metasedimentary sequence at a high angle. ▪ Orientation and grade of the known mineralised zones are clearly influenced by a combination of steeply dipping structurally controlled features, which

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>estimation.
• The factors affecting continuity both of grade and geology.</td><td>may be spatially associated with largely sub vertical dolerite dykes, and shallowly dipping favourable lithological units.
▪ Controlling structures are sub-vertical and strike in a north-northwest orientation.
▪ Copper mineralisation extends from surface and is open at depth with overlapping oxide, secondary and primary styles. Primary sulphide mineralisation occurs at the base of a thick secondary mineralisation sequence of native copper and chalcocite with a minor complete oxidation zone.</td></tr>
<tr><td>Dimensions</td><td>• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</td><td>▪ The main area of defined mineralisation occurs as a number of sub-parallel structures over a corridor strike length of 3 km, 1.7 km wide and up to 0.64 km down dip, which excludes Solsbury Hill, Fairfield and nearby domains situated immediately to north of the main zone. There are a total of 38 currently defined domains, including Solsbury Hill and Fairfield.
<table>
<tr><th colspan="5">Mineralised domain extents (local grid)</th></tr>
<tr><td></td><td>m</td><td>East</td><td>North</td><td>RL</td></tr>
<tr><td rowspan="3">All Resource</td><td>min</td><td>9350</td><td>9960</td><td>-425</td></tr>
<tr><td>max</td><td>12375</td><td>14860</td><td>235</td></tr>
<tr><td>extent</td><td>3025</td><td>4900</td><td>660</td></tr>
<tr><td rowspan="3">Main Corridor</td><td>min</td><td>9390</td><td>12100</td><td>-425</td></tr>
<tr><td>max</td><td>12375</td><td>13175</td><td>235</td></tr>
<tr><td>extent</td><td>2985</td><td>1075</td><td>660</td></tr>
</table></td></tr>
<tr><td>Estimation and modelling techniques</td><td>• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
• The assumptions made regarding recovery of by-products.
• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).
• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
• Any assumptions behind</td><td>▪ The resource estimate has been revised from "first principles" based on a review and re-interpretation of the geological controls and using the results of the extensive recent drilling programs.
▪ Mineralised domains were digitised on cross sections defining boundaries for High-grade Cu as >0.5%Cu, Low-grade Cu as >0.1% Cu and Cobalt as >100ppm Co. The domains are nested. There are a total of 38 currently defined domains. The intervals for each drill hole for each domain were tagged into database tables and used for compositing and selection of informing samples.
▪ Grade estimation of copper, gold, cobalt and magnetite in most mineralised domains used ordinary kriging (OK) into a parent block size of 12.5 m (E) by 2 m (N) by 5 m (RL) for all areas except Fairfield. Estimation at Fairfield used a parent block size of 6.25 m (E) by 1 m (N) by 2.5 m (RL).
▪ Grade estimation of copper in Las Minerale and Rocklands South high grade domains used multiple indicator kriging (MIK) with cut-offs of 2%, 10% and 20% Cu. Two MIK estimates were obtained using DD-only and RC + DD data, so that sampling bias related to drilling method could be minimised. The estimated Cu value assigned in the final block model was based on the conditional bias slope of an OK estimate using DD-only data in the following manner: If DD IK slope > 0.3, block grade = DD IK grade; if slope <0.3, block grade = DD-RC IK grade.
▪ Defined mineralised domains were constrained with 3D wireframes Results for Cu were compared with the raw drill data and also with block estimates made using Nearest Neighbour and Inverse Distance squared block estimates, the first to test the impact of averaging and clustering, the latter the impact of clustering and the selected variogram. Resource categories were defined using sampling density, number of informing samples and conditional bias slope of regression.
▪ Geological and grade modelling work encompassed all drilling. Modelling work was extended vertically to the limits of the current drillhole assay database; section interpretations were extended a maximum of 25 m down dip and beyond the limit of drilling. Mineralisation is interpreted to be continuous between drill holes both along strike and down dip within the defined domains.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	modelling of selective mining units. • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	▪ Host lithologies between defined wireframe domains were allocated a lithological type and grades estimated into a larger block size of 50 m (E) by 8 m (N) by 20 m (RL) with data available outside of the wireframe domains. Where possible the wireframe domains were extended to these areas, but some areas where drilling and/or geological knowledge was insufficient remained, these areas are known as "undomained". Where grades above cut-off were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. ▪ Weathering horizons for oxide and semi-oxide were defined on section by CuDECO using drill lithological logs, as were domains for native copper and chalcocite at Las Minerale and Rocklands South. ▪ Block models were validated by visual and statistical comparison of drill hole and block grades and through grade-tonnage analysis. ▪ Kriged copper estimates were validated against Nearest Neighbour and Inverse Distance Squared copper estimates. These alternative models undertaken by different software and personnel achieved very close agreement with the reported results.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	▪ All tonnages are reported on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	▪ Lower cut-off grade for resource reporting of 0.2% CuCoAu and only blocks above -250m RL were applied to blocks in reporting the resource estimates for a range of cut-off grades. ▪ Total C1 costs (mining, milling and admin) are approximately $18 per tonne of ore, which was based on open pit mining and a strip ratio of 3 to 1. Using weighted average price for Cu Co and Au over the last 5 years and allowing for differential recoveries gives a cut-off of approx. 0.23% CuCoAu. ▪ Magnetite only resources are reported above a minimum cut-off of 10%.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	▪ Preliminary pit optimisation was undertaken using Whittle software by an independent mining engineering consultancy. The aim of this work was to identify the approximate proportion of the modelled estimates that fall inside an optimum pit shell using prevailing metal prices, preliminary metallurgical recoveries and assumed inputs such as pit slopes. This work was not intended to define reserves. The key metallurgical recovery assumptions were 95% for Cu, 90% for Co and 75% for Au as advised by CuDECO, The pit reached a depth of about -180m RL ▪ Size of preliminary conceptual pits is strongly affected by inputs, particularly metal recoveries and metal prices which, if unrealised, may result in significant portions of resource estimates not reporting to future open pits. ▪ The Xstrata December 2009 Resource Statement for the nearby, and geologically similar, Ernest Henry open cut is for a Total Resource of 21Mt @ 0.9% Cu, 0.5 g/t Au and 18% magnetite using a cut-off grade of 0.27 % Cu. Final depth is 530m below surface. ▪ The resource is therefore considered as open pittable above an elevation of -250 m RL, or about 475 m from surface.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual*	▪ Numerous technologies and techniques have been applied to ore samples extracted from across the Rocklands mineralised zones to establish the general amenity of the Rockland's mineral species to efficient recovery to produce quality saleable products, and to determine any potential processing problems. ▪ No significant impediments to the efficient recovery of Rocklands copper, cobalt, magnetite and gold minerals have been encountered during the

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</td><td>exhausting programme of laboratory and small and large-scale pilot processing testwork.
▪ No deleterious elements are present in concentrate products produced in the test programmes at concentrations in excess of, or near to, concentrations which would be likely to attract a penalty from a smelter or other end users.
▪ Concentrate products are above the minimum specification required to achieve full payment from smelters or other end users.

The following procedures and processing techniques have been applied to Rocklands mineralised zones:
<table>
<tr><th>Zone</th><th>Crush</th><th>Screen</th><th>Leach</th><th>Mill</th><th>Gravity Conc.</th><th>Floatation</th><th>Filtration</th></tr>
<tr><td>Oxidised</td><td>√</td><td></td><td>√</td><td></td><td></td><td>√</td><td></td></tr>
<tr><td>Native Copper</td><td>√</td><td>√</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td></tr>
<tr><td>Chalcocite</td><td>√</td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
<tr><td>Primary</td><td>√</td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
</table>
▪ The following recovery values can be applied, based on weighted averages, across the mineralised zones to support resource estimation calculations:
<table>
<tr><th>Element/mineral</th><th>Copper</th><th>Cobalt</th><th>Gold</th><th>Magnetite</th></tr>
<tr><td>Recovery</td><td>95%</td><td>90%</td><td>75%</td><td>75%</td></tr>
</table></td></tr>
<tr><td>Environmental factors or assumptions</td><td>• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</td><td>▪ The Assessment Report for the Environmental Impact Statement and Environmental Management Plan for the Rocklands Goup Copper Project was issued by the Queensland Government on 1st August 2011 and the Environmental Authority (EA) which enabled the commencement of the Project was issued on 31st October, 2011.
▪ The Project currently operates under the Queensland EA, Permit Number EPML00887913.
▪ The environmental approvals referred to above allow the Project to operate at an average processing rate of 3.0 million tonnes per annum of ore and to dispose of the associated waste and tailings in approved-design waste-rock dumps and tailings storage facilities.</td></tr>
<tr><td>Bulk density</td><td>• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method</td><td>▪ There were 3002 measurements, plus a number of validation tests undertaken for bulk density determinations with a spatial distribution across the Rocklands mineralised zones. Both internal and external laboratories were used in the bulk density programme. The results have been determined by way of averages for each of the main mineralised zones.</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.
• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.
• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</td><td>▪ The mineralised zones exhibited a definable trend of increasing bulk density with copper and magnetite grade and this has been factored for resource calculations.
▪ Based on the results obtained, the following table is applied to the mineralised zones for resource estimation purposes:

<table><tr><th>Zone</th><th>Baseline (t/m3)</th><th>Cu% Factor</th><th>Magnetite % Factor</th></tr><tr><td>Oxide</td><td>2.38</td><td>0.657</td><td>0.0279</td></tr><tr><td>Semi Oxide</td><td>2.70</td><td>0.0620</td><td>0.0247</td></tr><tr><td>Native Copper</td><td>2.50</td><td>0.0645</td><td>0.0267</td></tr><tr><td>Chalcocite</td><td>2.75</td><td>0.062</td><td>0.0221</td></tr><tr><td>Primary Mineralised</td><td>2.9</td><td>0.0605</td><td>0.0227</td></tr><tr><td>Fresh</td><td>2.75</td><td>0.0625</td><td>0.242</td></tr></table>▪ The grade formula applied to the zone for resource estimation purposes is as follows:
Bulk Density = Baseline + %Cu*CuFactor + Magnetite%*MagnetiteFactor</td></tr>
<tr><td>Classification</td><td>• The basis for the classification of the Mineral Resources into varying confidence categories.
• Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).
• Whether the result appropriately reflects the Competent Person's view of the deposit.</td><td>▪ Resource classification is based on number of informing samples, kriging conditional bias slope ("Slope") and search distance to informing samples.
▪ Blocks within the defined wireframes domains are classified as measured, indicated or inferred based on the following criteria
o Measured - maximum number of informing samples, Slope >0.8
o Indicated - maximum number of informing samples, Slope >0.4
o Inferred - block estimated within domain wireframes, minimum of 3 informing samples within maximum search of 300m.
▪ Host lithologies between defined wireframe domains are known as "undomained". Where grades above cut-off of 0.2% CuCoAu were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. Search range for this category was reduced to 200 m and minimum number of informing samples increased to 10 as no domain wireframes were used.
▪ Magnetite-only material was also allocated in the "undomained" section of the deposit using the same criteria as described above. A cut-off of 10% magnetite was applied.</td></tr>
<tr><td>Audits or reviews</td><td>• The results of any audits or reviews of Mineral Resource estimates.</td><td>▪ CuDECO's internal review and audit of the February 2014 Mineral Resource Estimate consisted of data analysis and geological interpretation of over 210 individual cross-sections, comparing drill-hole data with the resource estimate block model.
▪ Good correlation of geological and grade boundaries were observed, however some loss of resolution is observed when high-grade results are present, due to the apparent smoothing of these results into surrounding blocks.
▪ No external audits or reviews of the mineral resource estimate were undertaken.
Comparison with previous Mineral Resource estimate
▪ In May 2011 CuDECO released a mineral resource estimate prepared by Mining Associates Australia.
▪ CuCoAu equivalent grades were based on metal prices and metallurgical recoveries provided by CuDECO and refer to recovered equivalents:
Cu 95% recovery US$2.00 per Pound</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

Co 90% recovery US$26.00 per Pound
Au 75% recovery US$900.00 per Ounce
Magnetite 75% recovery US$175 per Tonne
The recovered copper equivalent formulae applied were:

CuCoAu% = Cu % + Co ppm*0.001232 + Au ppm*0.518238

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

Measured Resource Estimate May 2011 at various cut-off grades

cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	47.2	0.41	353	0.1	2.94	0.89	1	425	929	1,037
0.4	34.6	0.54	407	0.11	2.97	1.1	1.2	410	838	918
0.8	13.8	1.1	597	0.19	3.53	1.93	2.06	335	589	628

Indicated Resource Estimate May 2011 at various cut-off grades

cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	121.9	0.19	241	0.08	3.1	0.53	0.64	505	1,417	1,712
0.4	63.3	0.32	291	0.11	2.74	0.74	0.83	448	1,026	1,161
0.8	16.4	0.81	367	0.19	1.32	1.36	1.4	293	491	508

Total Measured and Indicated Resource Estimate May 2011 at various cut-off grades

cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	169.2	0.25	273	0.09	3.05	0.63	0.74	930	2,347	2,750
0.4	97.9	0.4	332	0.11	2.82	0.86	0.96	858	1,864	2,080
0.8	30.3	0.94	472	0.19	2.34	1.62	1.7	627	1,081	1,136

Inferred Resource Estimate May 2011 at various cut-off grades

cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	103.7	0.06	167	0.1	2.87	0.32	0.42	134	724	957
0.4	20.6	0.17	269	0.08	2.11	0.55	0.62	78	248	282
0.8	1.1	0.8	281	0.13	1.06	1.22	1.25	19	29	29

Total Measured, Indicated and Inferred Resource Estimate May 2011 at various cut-off grades

cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	272.9	0.18	233	0.09	2.98	0.51	0.62	1,064	3,070	3,704
0.4	118.5	0.36	321	0.11	2.7	0.81	0.9	935	2,112	2,361
0.8	31.4	0.94	465	0.19	2.29	1.61	1.69	646	1,109	1,165

- Compared with the 2011 estimate, there is little change in total tonnes. Although tonnes were gained with the addition of Fairfield, adjustments to mineralised domain wireframes based on new drilling resulted in a similar net decrease elsewhere. Measured resource tonnes increased, while Indicated and Inferred tonnes decreased due to additional drilling increasing estimation confidence in some areas.
- There is a substantial increase in copper and magnetite grades. Copper grades at higher CuCoAu cut-offs (0.4% and 0.8%) were increased due to the effects of sample bias in Las Minerale and Rocklands South high grade oxide zones being mitigated by MIK estimation, and from new high grade intersections of copper in parts of Rocklands South. Magnetite grades have almost doubled as a result of updated factors being used to convert magnetic susceptibility to magnetite content.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	▪ An approach to the resource classification was used which combined both confidence in geological continuity (domain wireframes) and statistical analysis. The level of accuracy and risk is therefore reflected in the allocation of the measured, indicated and inferred resource categories. ▪ "Undomained" material, both copper and magnetite mineralisation, is restricted by the current level of drilling. Reporting of this as an Inferred resource was constrained by use of tight estimation parameters. It is expected that further work will extend this considerably. ▪ Using the slope of regression as a guide to classification of mineral resource takes the quality and hence accuracy of the block estimates into consideration. ▪ Resources estimates have been made on a local basis using a block model with variable block sizes which reflect the informing sample density. The model is suitable for technical and economic evaluation. ▪ The deposit is not yet in production. A grade control system, including reconciliation to the resource estimates, is currently being designed and will be used in future resource updates.

1.3 RESERVE ASSESSMENT

Table 7 JORC Table 1 Section 4, Estimation and Reporting Ore Reserves

Criteria	Explanation	Assessment
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Ore Reserve Estimate is based on the November 2013 Resource Estimate prepared by MAPL (ASX announcement 29/11/2013). CuDeco supplied the resource drill hole database, geological interpretation and domain wireframes and average density estimates for the material types. MAPL undertook all other aspects of the resource modelling work, and takes overall responsibility for the resource estimate. • The Resource Estimate is in a rotated block model format, with grades interpolated using Ordinary Kriging (OK). Kriging techniques were used to estimate grade into large panels, these panels were subsequently sub-blocked to 12.5m x 2m x 5m (local-grid East x local-grid North x RL). The estimation has been tightly constrained within wireframe boundaries defined by geology, structure and a 0.1% copper grade envelope. The model includes grades for copper, cobalt, gold and magnetite. • The modelled resource grades do not incorporate dilution. • Bulk density has been defined using 3,002 measurements, categorised according to weathering, copper mineral zones, copper grade and magnetite grade. Bulk density measurements were taken on cut and un-cut diamond drill core using wax coating where necessary and determined by the Archimedean Method, i.e. weight in air/weight in water. • The estimated resources include Measured, Indicated and Inferred categories, and are inclusive of the Ore Reserves. Resource categories were defined using sampling density, number of informing samples and conditional bias slope of regression as follows:- o Measured - maximum number of informing samples, bias slope of regression >0.8 o Indicated - maximum number of informing samples, bias slope of regression >0.4 o Inferred - block estimated within domain wireframes, minimum of 3 informing samples within maximum search of 300m. • The unmined portion of the Ore Reserve is a subset of the unmined portion of the Resource. • The surface stockpiles form part of the Proved Ore Reserve and are a conversion from that component of the Measured Resource with minor updates to tonnes and grades based on the latest grade control data. • The Resource Estimate was provided to AMDAD in Surpac block model format.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of*	John Wyche, Competent Person for overall Ore Reserves sign-off, undertook a site visit at Rocklands on 19th June 2014 including the following inspections:

	those visits. • *If no site visits have been undertaken indicate why this is the case.*	• Rocklands open cut and waste rock dump areas • Ore stockpiles • Process plant (under construction)
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The Rocklands Ore Reserve Estimate has been prepared in conjunction with a Feasibility Study of the Rocklands Project by CuDeco and its consultants. • The Feasibility Study covers resource estimation, mining, processing, marketing, environment, community and financial modelling. These studies define the Modifying Factors used in this Ore Reserve Estimate. • The Feasibility Study indicates a high degree of confidence that the project is technically and economically viable for the metal prices assumed. • The status of the Rocklands Project is outlined below:- a) Mining operations commenced at the Rocklands Project in 2012. The Las Minerale Stage 1 open pit is completed, Las Minerale Stage 2 has been mined down approximately 45m below surface to 180mRL, the Las Mineral Final Stage has been mined down to 215mRL, Rocklands South has been cleared and grubbed to the final pit limit with some surface mining to 5m depth, Southern Rocklands Extended pit has been mined down to 208mRL, approximately 12m below surface. Ore mined to-date has been stockpiled near the ROM/crusher location. Most of the parameters adopted for the mine plan are based on Rocklands mining operations experience to-date. b) Construction of the processing plant and general site infrastructure is nearing completion.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied*	• Ore/waste cut of grade (COG) is determined using a recovered copper equivalent grade estimated (Spec_CuEq), based on the ratio of species of contributing metals, weathering profiles, corresponding recoveries and net metal prices. The following inputs are used in determining Spec_CuEq values; ○ Copper, cobalt, gold and magnetite grades ○ Logged minerals present including; ▪ copper species ▪ pyrite content (used to estimate cobalt recovery) ○ Weathering profile (used to determine recoveries in the absence of logged minerals) ○ Magnetite content ○ Lithology • Ore is stockpiled into 1 of 12 ore type categories, also determined from the above information, in order to match metallurgical and mineralogical characteristics of various processing regimes. • In the absence of sufficient information to determine recovered copper equivalent grades, the lowest recovery profile for each ore type is used. • In its simplest form, Rocklands ore is segregated into three main ore types; oxide, partial-oxide (chalcocite-rich) and fresh (chalcopyrite-rich). These are further split into native copper or non-native copper bearing versions of each, then finally split

once again into high-grade and low-grade versions.

Rocklands ore types:

oxide				chalcocite				primary			
oxide		oxide + NatCu		chalcocite		chalcocite + NatCu		primary		primary + NatCu	
High	low	High	low	High	low	High	low	High	low	High	low

Ore is sent to the mill for processing (or stockpiled for later processing) if the following conditions are satisfied;

- **Oxide ore**
  - Low-grade: Cu% >=0.5% and Cu% <1%
  - High-grade: Cu>=1% Cu

- **All other ore types;**
  - Magnetite waste: Cu<0.1% and Mag>=10% (not included in reserves)
  - Low-grade: Cu>0.1% and Species CuEq>=0.3% and Cu<0.5%
  - High-grade: Cu>=0.5%

- **The Spec_CuEq formula is defined by the following:**

  CuEq% = ∑ [(Copper species%) x (species copper content) x (species copper recovery)]

  + Co_ppm x Co_rec x PrCo / PrCu

  + Au_ppm x Au_rec x PrAu / PrCu

  + if(mag%<2,0,((mag% - 2) * magrec * PrMgt / PrCu

  for the recoveries and net prices tabulated below:-

Metal	Copper Species	Recovery (rec)	Net Price	Net Price (Pr) per grade unit

<table>
<tr>
<td></td>
<td></td>
<td>
<table>
<tr><td rowspan="6">Copper (Cu)</td><td>Bornite</td><td>92%</td><td rowspan="6">A$3.20/lb</td><td rowspan="6">A$70.54/10kg</td></tr>
<tr><td>Chalcocite</td><td>90%</td></tr>
<tr><td>Chalcopyrite</td><td>95%</td></tr>
<tr><td>Native Copper</td><td>95%</td></tr>
<tr><td>Malacite & Azurite</td><td>65%</td></tr>
<tr><td>Other oxides</td><td>65%</td></tr>
<tr><td>Cobalt (Co)</td><td></td><td>Variable</td><td>A$18.00/lb</td><td>A$0.0397/g</td></tr>
<tr><td>Gold (Au)</td><td></td><td>75%</td><td>A$1200/oz</td><td>A$38.58/g</td></tr>
<tr><td>Magnetite (mag)</td><td></td><td>80%</td><td>A$140/t</td><td>A$1.40/10kg</td></tr>
</table>

Cobalt recovery at Rocklands varies depending on ore type and associated pyrite content. CuDeco uses a pyrite–to-cobalt ratio of 50:1 to determine if sufficient pyrite is present to support full recovery of the estimated cobalt content. If the pyrite–to-cobalt ratio is ≥ 100, a maximum cobalt recovery of 90% is applied, i.e. 90% x 100% = 90%. Recoveries reduce as the pyrite–to-cobalt ratio falls below 100. For example, if the pyrite–to-cobalt ratio is 70 the cobalt recovery is 90% x 70% = 63%. The formula used to calculate cobalt recovery is:

Cobalt recovery = If(CN / Co_ppm > 0.9, 0.9, CN / Co_ppm)

Where:

CL = (Py% * 100)

CM = (Py% * 100) - Co_ppm

CN = If(CM > CL,Co_ppm * Py_rec, CL * Py_Rec)

Note: CuDeco estimates pyrite recovery, Py_Rec, to be 90%
</td>
</tr>
<tr>
<td>Mining Factors and Assumption</td>
<td>• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by</td>
<td>• The Ore Reserve estimate is based on extraction of ore by open pit mining in a conventional truck and shovel operation, using 180t and 190t class hydraulic excavators, in backhoe configuration, and 90t dump trucks. Drilling and blasting is conducted on 10m high benches. Digging is conducted on flitches of 2.5m height in the ore and up to 5m high in bulk waste blocks.
• AMDAD considers this mining method and equipment selection to be appropriate to the terrain, ore and waste geometry and scale of mining.
• AMDAD ran a Whittle™ pit optimisation to guide the pit design. The pit optimisation was run using net metal prices of A$3.84</td>
</tr>
</table>

	optimisation or by preliminary or detailed design). • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	per lb copper, A$18 per pound cobalt, and A$1200 per oz gold. Magnetite was not used in the generation of the optimised pit shells. The revenue factor (RF) 1 shell was selected by CuDeco to guide the final designs used for the Ore Reserve. Note that the RF 1 shell will maximise undiscounted cashflow for the project but may be larger than the pit that would maximise discounted cashflow. • The Ordinary Kriged resource modelling technique used by MAPL estimates grades for whole blocks. This effectively incorporates internal dilution within a block. Additionally, the block grades have been adjusted for a notional "skin" of 0.5 metres along the boundary of the ore zones with 0.5m from the edge of the ore zone being lost to waste representing unavoidable mining losses. The process preserves the total mass of material, with each block gaining and losing the same volume of material but resulting in an overall decrease in metal available for milling. A 95% mining recovery is then applied to the mining block. Overall dilution of ore by sub-economic material at the ore-waste boundaries is estimated to result in a copper grade reduction of approximately 5%. In summary, modelling of a 0.5m thick dilution skin with an overall mining recovery of 95% generates:- ○ A tonnage dilution of 0% ○ A mining loss of 5% ○ An overall copper grade factor of 0.97 ○ An overall metal factor of 0.92 The Reserves are an estimate of the tonnes and grade of ore delivered from the open pits to the processing plant. • The Ore Reserves were estimated within a final pit design, including haul roads and safety berms. The open pit and haul road designs were generated as three dimensional computer models using Surpac™ software. • The pit optimisation and designs for Las Minerale (LM), Rocklands South (RS) and Southern Rocklands Extended (SRE) incorporate recommended wall design parameters provided by geotechnical consultants Pells Sullivan Meynink (PSM). These recommended parameters are shown below:

Area	Rock	Bench Height	Batter Angle	Berm Width	Inter-ramp Angle (IRA)
All Pits	Above BOCO	20m	55°	10m	-
LM Meta-sediments	Below BOCO	20m	70°	10m	49°
LM Dolerite	Below BOCO	20m	80°	10m	56°
RS North	Below BOCO	20m	70°	10m	49°
RS South	Below BOCO	20m	65°	10m	46°
RSE North	Below BOCO	20m	70°	10m	49°

RSE South	Below BOCO	20m	65°	10m	46°

PSM recommends the use of pre-split blasting methods, otherwise the designed slopes may not be achieved. As well, there is a requirement for ongoing geotechnical mapping during operations and modification of pit designs subject to "as encountered" ground conditions.

No geotechnical studies have been undertaken at Rainden (RD). Design parameters for RD pit are:

Area	Rock	Bench Height	Batter Angle	Berm Width
All Pits	Above BOCO	15m	55°	5m
LM Meta-sediments	Below BOCO	15m	70°	5m

- Inferred Resources were not included in the pit optimisations. Inferred resources only occur within the Rainden pit design and were treated as waste. The Ore Reserves exclude any Inferred Resources.
- As well as excavation of initial haul roads within the open pit footprints, the open pit designs incorporate staged pits to access higher value ore early in the mine life. The designs for the pit stages and the pushback to the final pit walls were based on a minimum mining width of 40m. This mining width is considered appropriate for the selected mining fleet.
- AMDAD prepared a life of mine (LOM) schedule based on the Ore Reserves estimate and waste rock within the designed pit stages and ore stockpiles. CuDeco has confirmed the suitability of the schedule.
- Infrastructure in place to support the open pit mining operations includes the following:-
    - Water management structures including drains and sediment ponds (constructed)
    - Heavy vehicle and light vehicle workshop facilities including washdown facility, tyre shop, welding shop and warehouse (under construction)
    - Fuel storage and dispensing facility (constructed)
    - Explosives magazine (constructed)
    - Office (constructed)
    - Core shed (constructed)

Metallurgical Factors or Assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	The metallurgical process has, to a reasonable extent been driven by the need to be able to accommodate, and indeed recover in saleable form, a wide range of native copper nugget sizes and also fine (<1mm) native copper metal. With this in mind the choice of processing equipment has focussed on items that will do this, but also be suitable for processing efficiently the remainder of the orebody making up this reserve, a major proportion of which is "conventional" primary ore. The choice has therefore been limited to conventional and proven equipment. For example, the primary and secondary crushing circuit consists of jaw, rolls and cone crushers in series and the tertiary crushing/grinding is performed by a High Pressure Grind Rolls (HPGR) rather than a SAG mill. All this equipment is used in 'conventional' mineral processing circuits. alljig® jigs selected for the -40mm,+2mm native copper separation, although not widely known in Australia have been in use for gravity separation processes for over 20 years. Spirals and tables, used for separation of the fine native copper are tried and proven in similar applications in the mineral sands industry in Australia. The remainder of the process consist of conventional flotation cells and tower mills for re-grind applications, all of which are well proven in the industry. Early metallurgical test-work focussed on samples from drill core selected by the consulting geologists as representative of the differing ore-types as known at the time of the exploration and resource development. As the resource development drilling continued and in consultation with the geologists a much wider selection was made, including testing for performance variability across the mineral and lithological domains, and then continuing into sampling of over 6,000m of wide-diameter drill core from all parts and depths of Las Minerale and Rocklands South orebodies for the large-scale pilot plant testing of the process flowsheet. The factors applied as a result of this programme are: Analysis of the concentrates produced during laboratory testing and full-scale trial processing indicated no concentrations of deleterious elements likely to attract smelter penalties. Bulk sample for pilot scale testing was obtained from

			Cu Species ratio			
Ore-type (code_copper)	Mill code	Recovery (Av)	NC	CC	CPY	OX
CC	CC Cu	90.00%	0.00%	54.40%	29.60%	16.00%
Chalcocite domain	CC Co	70.00%				
	CC Au	75.00%				
	CC Mag	80.00%				
			NC	CC	CPY	OX
CPY	CPY Cu	95.00%	0.00%	2.82%	95.65%	1.53%
General copper domain	CPY Co	90.00%				
(not just primary)	CPY Au	75.00%				
	CPY Mag	80.00%				
			NC	CC	CPY	OX
NC CC	NC CC Cu	95.00%	59.68%	40.65%	10.83%	8.64%
Native copper domain	NC CC Co	40.00%	59.68%	40.65%	10.83%	8.64%
	NC CC Au	75.00%				
	NC CC Mag	80.00%				
			NC	CC	CPY	OX
NC CPY	NC CPY Cu	95.00%	20.97%	14.34%	60.19%	4.50%
Native copper domain	NC CPY Co	90.00%	20.97%	14.34%	60.19%	4.50%
	NC CPY Au	75.00%				
	NC CPY Mag	80.00%				
			NC	CC	CPY	OX
OX	OX Cu	65.00%	0.00%	11.51%	8.34%	80.55%
	OX Co	10.00%				
	OX Au	75.00%				
	OX Mag	80.00%				
			NC	CC	CPY	OX
NC OX	NC OX Cu	95.00%	28.72%	14.10%	4.59%	52.79%
	NC OX Co	10.00%	28.72%	14.10%	4.59%	52.79%
	NC OX Au	75.00%				
	NC OX Mag	80.00%				
			NC	CC	CPY	OX
Undefined	Undefined Cu	85.00%	2.04%	17.86%	32.65%	47.45%
Undefined domain - no NC	Undefined Co	65.00%				
(mineralisation outside of orebodies)	Undefined Au	75.00%				
	Undefined Mag	80.00%				
			NC	CC	CPY	OX
MinW	MinW Cu	80.00%	2.04%	17.86%	32.65%	47.45%
Undefined domain	MinW Co	80.00%	2.04%	17.86%	32.65%	47.45%
(mineralisation outside of orebodies)	MinW Au	75.00%				
	MinW Mag	80.00%				
			NC	CC	CPY	OX
MagW	MagW Cu	80.00%	0.00%	0.00%	100.00%	0.00%
Undefined domain	MagW Co	80.00%				
(mineralisation outside of orebodies)	MagW Au	75.00%				
	MagW Mag	80.00%				

		approximately 6,000m of large diameter (PQ) core drilled over the full area and accessing the major lithological zones of Las Minerale orebody and the Rocklands South orebody. Ore is subdivided into mineralogical categories and grade ranges (specifications), that have been included as inputs in the ore reserve estimate. These are based on appropriate mineralogical assessment of ore to meet processing requirements for metal extraction.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	**Environmental Legislation – Commonwealth** Mining activities are also regulated by the Commonwealth Government under Environment Protection and Biodiversity Conservation Act 1999 (Cth). The EPBC Act defines a "controlled action" as an activity that will have, or is likely to have a "significant impact" on a "Matter of National Environmental Significance" (NES). Under the EPBC Act it an offence to take a "controlled action" without an approval under the EPBC Act. The requirement to submit an Environmental Impact Statement (EIS) is implemented through the EPBC Act. **Environmental Impact Statement** For most mining activities, the Environmental Impact Statement (EIS) process is also triggered. This is an assessment of the proposed controlled actions and submitted to the Minister to assess. Sometimes it is voluntarily done to take advantage of the bilateral agreement under the EPBC Act to ensure that only a single assessment process is applied under both State and Commonwealth environmental regulation. **Environmental Legislation - State** All Mining activities are regulated by both the Commonwealth and Queensland State Governments. In Queensland, the primary piece of legislation is the Environmental Protection Act 1994 (EP Act) which is administered by the Queensland Department of Environment and Heritage Protection (DEHP). The object of the EP Act is "to protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends." **Environmental Authorities for mining activities** The Environment Protection Act 1994 (EP Act) regulates mining activities by the issuing of an environmental authority (EA) for mining activities which are: • an activity that is an authorised activity for a mining tenement under the MR Act; or • another activity that is authorised under an approval under the MR Act that grants rights over land. A contravention of an EA condition can lead to prosecution under the EP Act section 430; "a person who is a holder of, or is acting under, an environmental authority must not contravene a condition of an environmental authority". The maximum penalty for an individual is 6,250 units with a corporation five (5) times higher. **Plan of Operations**

A standard condition of an EA approval requires the preparation of a plan of operations (PoO's). A plan of operations sets out how the EA conditions (including rehabilitation requirements) will be met. The specific requirements for a plan of operations are set out in the EP Act. Refer to Table 3 Cudeco Plan of Operations.

Environment licencing

CuDeco have held and maintained an Environmental Authority (licence) since October 2012. Since then there have been six amendments to the licence to reflect changes in site design and monitoring requirements; as more site specific information becomes available. CuDeco is currently licenced under EMPL00887913 which was approved 19th November 2014. CuDeco are currently preparing for the next EA amendment lodgement through the Department of Environment and Heritage Protection. This is currently anticipated to occur early 2016.

An independent third party Environmental Authority audit is undertaken under conditions A27-30 of the current licence on an annual basis. This audit is to assess CuDeco's performance against licence conditions. All EA auditing has been completed by independent auditors Synnot & Wilkinson since 2013.

ENVIRONMENTAL APPROVALS –ROCKLANDS

The Environmental approval process as required by the State of Queensland, is detailed in **Table 8** below.

CuDeco has completed this process and has continually maintained its licencing requirements. **Table 9** over the page exhibits CuDeco's Environmental Approval history and amendments.

Table 8. Environmental approval process in Queensland

Detail of Requirement/Trigger	Legislation	Department/Agency
Application for a Mining Lease	*Mineral Resources Act 1989* (Qld)	Department of Employment, Economic Development and Innovation
Application for a Environmental Authority	*Environmental Protection Act 1994* (Qld)	Department of Environment and Resource Management
Approval of the EIS	*Environmental Protection Act 1994* (Qld)	Department of Environment and Resource Management
Application for permit to take water	*Water Act 2000* (Qld)	Department of Environment and Resource Management
Artesian/sub artesian bore water extraction	*Integrated Planning Act 1997*; and *Water Act 2000* (Qld)	Local Government; and Department of Environment and Resource Management
Riverine Protection Permit to	*Water Act 2000* (Qld)	Department of Environment and

		disturb vegetation in a watercourse and excavate in a watercourse prior to construction of the transport corridor for locations out the mining lease		Resource Management
		Trapping and surveying animals	*Nature Conservation Act 1992* (Qld)	Department of Environment and Resource Management
		Native Title – Aboriginal and Torres Strait Islander owned land and identified interests (including areas in respect of which a claim under the Native Title Act has been registered by the National Native Title Tribunal)	*Native Title Act 1993* (Cwth); *Aboriginal Cultural Heritage Act 2003* (Qld);; Aboriginal Land Act 1991 (Qld); Torres Strait Islander Cultural Heritage Act 2003 (Qld); Community Services (Aboriginal) Act 1984 (Qld); and *Community Services (Torres Strait Islander) Act 1984* (Qld)	Department of the Premier and Cabinet; Department of Environment and Resource Management; and Department of Communities
		Land Holder Compensation Agreement	*Mineral Resources Act 1989* (Qld)	Department of Employment, Economic Development and Innovation
		Construction of buildings, offices, site amenities, fuel storage, workshop, processing facilities, sewage treatment facilities or access roads	*Integrated Planning Act 1997* (Qld); and *Building Act 1975* (Qld)	Local Government
		Development Application for building/plumbing and drainage works (including those works authorised under the *Mineral Resources Act 1989* (Qld) and within a mining tenement)	*Integrated Planning Act 1997* (Qld); and *Building Act 1975* (Qld)	Local Government

Notification of building and construction work with a cost of over $80,000.	*Building and Construction Industry (Portable Long Service Leave) Act 1991* (Qld); and *Workplace Health and Safety Act 1995* (Qld)	Department of Employment, Economic Development and Innovation
Creation of a road and services corridor by subdivision	*Integrated Planning Act 1997* (Qld)	Local Government
Compliance with local laws related to heavy vehicles / exceptional traffic movement	*Local Government Ordinances*	Local Government

Table 9. CuDeco's Environmental Approval history and amendments

Environmental Authority (EA) Date	Amendment approval dates
October 2011	Draft EA
October 2011	Final EA issued 31/10/2011
October 2012	Renewed EA issued 12/10/2012
February 2013	Renewed EA issued 15/02/2013
May 2013	Application submitted 19/06/2013 Application withdrawn by CuDeco 19/07/2013
August 2013	Amended EA approved 29/08/2013 Changes to Schedule C-Land and Rehabilitation • Biodiversity offsets • TSF
December 2014 (current EA)	Amended EA approved 19/12/2014 Changes to :

	Schedule B-Air • Ambient air quality • Meteorological monitoring • Inclusion of Copper • Inclusion of continuous solar air quality monitoring method Schedule D-Regulated dams • Classifications of regulated dams reviewed Schedule E-Waste • Extension to East waste rock dump Schedule F-Noise • Noise limits and monitoring frequency • Air blast and ground vibration monitoring requirements Schedule G-Water • Add in new bores • Amendments to trigger and contaminant limits
December 2015	CuDeco is currently preparing a new EA amendment. This amendment is to assist CuDeco to further develop site specific environmental monitoring objectives. It is currently anticipated that this application shall be completed in early 2016. An updated Plan of Operations shall be completed following the approval of this EA amendment.

Table 3. Cudeco Plan of Operations

Document Number	Title	Date	Author
CDU-ENV-PLN-0002	Plan of Operations March 2012-December 2012	29/03/2012	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2013 – June 2013	29/04/2013	CuDeco Ltd

CDU-ENV-PLN-0002	Plan of Operations July 2013 –December 2013	19/06/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations September 2013 –December 2014	20/09/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations October 2014 – November 2015	30/10/2014	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2015 – December 2015	19/01/2015	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations December 2015 – May 2017	20/11/2015	CuDeco Ltd

END NOTE

CuDeco's current Environmental Authority to Operate, granted through the Queensland Department for Environment and Heritage Protection (EHP) will continue to be implemented throughout the planned life of the operation. This licence is renewed annually through the official EHP annual return notification procedure.

It is envisaged that CuDeco may apply for amendments to the Environmental Licence during the operational life of the project; this will be to update and better develop and manage site specific data trigger levels and contaminant limits. Following each approved EA amendment a new Plan of Operations shall also be lodged for review with EHP for approval before on ground works begin.

This method of approval should not affect ongoing site infrastructure development and operation as outlined in the December 2015 feasibility study.

The following is a list of supporting documents/files for waste rock and tailings management:

- Tailings and Surface Water Management DFS *PE801-00089_03 Tailings and Surface Water Management DFS (RevA).pdf*
- Summary of Tailings Geochemical Test Results *PE801-00089 EMEM008 Mejt11001 Summary of Tailings Geochemical Test Results.pdf*
- Waste Rock Geochemistry REV A *PE801_00089_04 Waste Rock Geochemistry Rev A.pdf*
- Second Phase Waste Rock Geochemistry REV C Complete *PE801_00089_06 Second Phase Waste Rock Geochemistry Rev C Complete.pdf*
- Third Phase Rock Geochemistry REV *B PE801_00089_09 Third Phase Waste Rock Geochemistry Rev B.pdf*
- CD Issued to Hutch *CD issued to Hutch (230712).zip*

WASTE ROCK CHARACTERISATION

- Knight Piésold provided design parameters and construction guidelines for the Rocklands waste rock dump (WRD). Waste rock characterisation work by Knight Piésold found that:-

		○ The main waste domains are dolerite, sediment, breccia, calcareous, quartz sediment, meta-sediment and cover material comprising colluvial, alluvial and ferricrete and calcrete rocks. ○ Waste rock has a high to very high salinity risk and high pH risk and is generally poorly suited for use in outer facing of WRDs. ○ Waste rock generally has a low to moderate sulphide content. ○ Large proportions of carbonate can be present in the waste rock providing moderate to high acid neutralising capacities. The variability of the acid neutralising capacity of the rock however requires ongoing testing during the mining operation. ○ Approximately 7% of the waste to be mined will require placement within an engineered PAF storage area. ○ Different domains present varying degrees of acid production/consumption.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Cudeco owns, or leases, and has already established all necessary office facilities in Southport, Cloncurry and on site at Rocklands. This includes: • Head Office (Southport, Qld) • Regional Office (Cloncurry, Qld) • Operations Office facilities (Rocklands Project Site) ○ Mining & Administration Office ○ Processing Office & Control Room ○ Mobile Maintenance Office The Rocklands Site Facilities include crib rooms, ablution blocks, training facilities, workshops and storage areas. **Accomodation** Cudeco owns or leases a portfolio of properties in Cloncurry to supply accommodation to employees. These range from camp style self-contained villages to units and houses. **Maintenance Facilities** CuDeco has a maintenance workshop for light vehicles and light trucks. Heavy Vehicle maintenance is currently carried out in a temporary unpowered igloo facility. A permanent HV maintenance facility is under construction, the concrete pad is laid, sea containers are being converted into storage and working areas. A roof will be installed that provides working space for 100t dump trucks and other heavy machines. **Explosives Infrastructure & Magazines** Cudeco has facilities and licensing in place to store all IE & HE required for the life of the project. Magazine capacity is 40000

		detonators and 20 tonnes of IE accessories and storage for up to 280 tonnes of HE. **Infrastructure Water Supply** With Cudeco's efficient road design and dust suppressant regime, the dewatering bores have always produced excess amounts of water which is then sent to alternative water storage areas such as the WSF (Water Storage Facility). Currently Cudeco have 5 such dewatering bores in use which not only have successfully kept water out of the LM Pit and SRE Pit, but supply 3 times the amount that the Mine Infrastructure Supply needs. **Production Water Supply** Cudeco have already got in place 3 fully functional production bores, with the capability of producing 30L/s constantly, which is 2/3rd the make up production water required for the full operation of the process plant and ancillary water requirements. Cudeco also have an additional 5 high yield flow proven production bores that are capable of producing an extra 50L/s, with the total production water supply meeting all the demands of the process plant, mining and ancillary activities. Cudeco have also completed the necessary in-town infrastructure that will supply Rocklands site with back up water. The completed infrastructure comprises of two pumping stations and 10km of large diameter pipe line that is capable of supplying an addition 2ML a day which is equivalent to 23L/s. **Water Storage** The principal water storage facility for the Rocklands project is the Water Storage Facility (WSF) which is located approximately 1.9 km to the north west of the processing plant and which comprises a small cross valley embankment which has a maximum height of approximately 8m. The embankment will inundate an area of approximately 45.3 hectares and has a capacity of approximately 1.1 Gigalitres at full supply level. The WSF has sufficient capacity to supply water for the processing plant during extreme dry years Water diverted around the mining areas will flow through the Water Harvesting Facility (WHF) with at least 25% of the flows allowed to continue downstream. This facility has a capacity of 98,000 m3 to the spillway invert, but will rarely contain water. This facility will be unlined as it is only a short term holding cell. Adjacent to the processing plant is the several process water ponds which will store return water from the tailings storage facility, make-up water from the WSF and pumped flows from the ROM pad pond and other minor water sumps in around the crushing plant. This pond will have a capacity of 20,000m3 equivalent to 3 days of plant operation. This pond will be lined with a single 1.0mm HDPE liner. This pond will supply firefighting water for the processing plant as well. Small turkey nest ponds are positioned at various locations around the site to provide dust suppression and to supply alternate firefighting water sources, these storages are sized individually depending on dust suppression requirements and range from 1000m3 to 3000m3. It is envisaged that there will always be turkey nest ponds located near each of the open pits and other key areas of the site. **Potable Water Supply, Treatment and Dispersal** The potable water requirement for the Project is 3.6 KL/day. Potable water is currently being processed on site with a fully functional Reverse Osmosis (RO) unit, which is fed from a dewatering bore that was analysed as being potable in nature. This RO unit is capable of producing 20 KL/day and is more than adequate to supplying the project with all its potable water requirements.

Raw Water Supply and Dispersal

The raw water requirement for the Project is 0.5 KL/day, which is primarily used for supplying amenities all over site, from toilets and bathrooms, wash-down facilities and other minor applications such as drilling needs.

Current Sustainable Flow Rates from Production and Dewatering Bores

HOLE ID	*BORE TYPE*	*LOCATION*	*PUMP SIZE*	*SUSTAINABLE FLOW*
MH1	*Production*	*Northern Boundary*	*4"*	*5L/s*
NVB066	*Production*	*Solsbury Hill*	*6"*	*10L/s*
PB001	*Dewatering*	*Turkeys Nest 1*	*6"*	*8L/s*
MB02	*Dewatering*	*Haul Road/LM Pit East*	*6"*	*8L/s*
MB13	*Dewatering*	*Haul Road/LM Pit East*	*6"*	*8L/s*
NVB019	*Dewatering*	*SRE Pit East*	*4"*	*5L/s*
SRE1	*Dewatering*	*SRE Pit West*	*4"*	*5L/s*
NVB045	*Production*	*Fox Mountain*	*6"*	*15L/s*

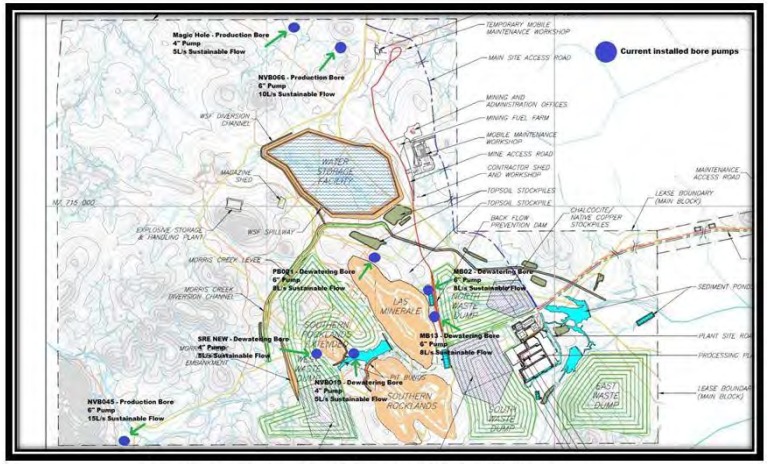
Table showing the current sustainable flow rates from installed bore pumps

Proposed/Future Sustainable Flow Rates from Production and Dewatering Bores

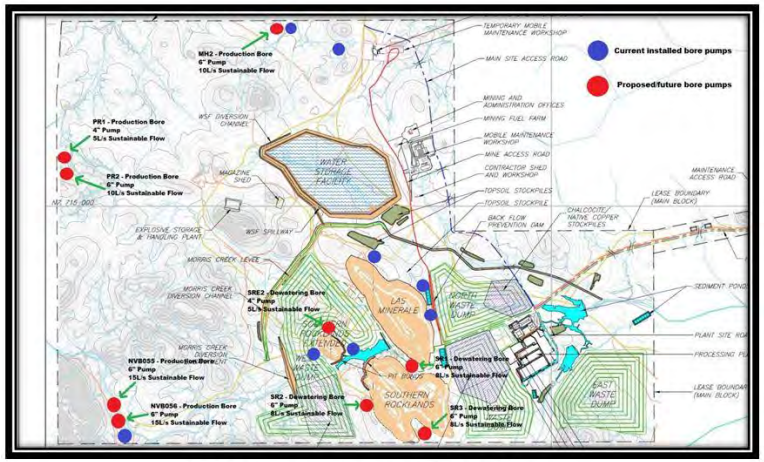
HOLE ID	BORE TYPE	LOCATION	PUMP SIZE	SUSTAINABLE FLOW
MH2	Production	Northern Boundary	6"	10L/s
PR1	Production	Western Boundary	4"	5L/s
PR2	Production	Western Boundary	6"	10L/s

NVB055	Production	Fox Mountain	6”	15L/s
NVB056	Production	Fox Mountain	6”	15L/s
SRE2	Dewatering	SRE Pit North	4”	5L/s
SR1	Dewatering	SR Pit North	6”	8L/s
SR2	Dewatering	SR Pit West	6”	8L/s
SR3	Dewatering	SR Pit South	6”	8L/s

Table showing proposed/future sustainable flow rates from yet to be installed bore pumps



Map showing the locations of the current fully installed bore pumps



Map showing current and proposed/future bore pumps

Costs

- *The derivation of, or assumptions made, regarding projected capital costs in the study.*
- *The methodology used to estimate operating costs.*
- *Allowances made for the content of deleterious elements.*
- *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.*
- *The source of exchange rates used in the study.*
- *Derivation of transportation*

Cost Category	AUD ($000's)
Capital Costs to July 2015	
Process plant	247,533
Land & Buildings	16,951
Other Assets	36,847
Mine Development Expenditure	214,307
	515,638
Estimated costs to completion	70,987
Total Estimated Capital Costs	**586,625**

charges.

- *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*
- *The allowances made for royalties payable, both Government and private.*

The operating costs reflect the cost of mining based on actual performances of The Project and mining unit rates since commencement of mining in November 2012. Processing costs are based on estimated budgeted costs of similar sized Australian copper operations and outputs as per the design of the plant by the EPCM contractor, Sinosteel.

1. Mining operations will ramp up to 22.0 million tonnes per annum in year 3, which will enable a sufficient stockpile to allow mining to cease in year 7.
2. Processing throughput is 3.0 million tonnes per annum

All costs are reported in Australian dollars (AUD), unless otherwise specified. Exchange rate used - $0.715 AUD to USD.

Site personnel all reside in Cloncurry and those recruited from areas outside of Cloncurry are provided accommodation by The Project. Employees that work on a fly-in fly-out (FIFO) arrangements are not reimbursed for any travel or accommodation whist travelling to or from site i.e. all personnel are recruited out of Cloncurry. There is a small team working from head office, Southport Queensland, which include Company Secretary, Administration and Finance.

Processing cost includes gravity jigs, only native copper ore needs to go through gravity jigs which is expected to be between 8-9Mt of native copper ore. Jigs will run for first 3-4 years only, thereafter some remnant native copper ore may batch-processed as it is accessed in later pits, but this will be stockpiled and batch-processed for no more than a total of 2-3 quarters only. Jigs will be by-passed, saving processing costs associated with the jigs.

Commodity Prices	Unit	Total	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Exchange Rate	*USD/AUD*	*0.692*	*0.715*	*0.684*	*0.684*	*0.684*	*0.683*	*0.683*	*0.687*	*0.691*	*0.696*	*0.700*	*0.704*
Commodity Prices													
Copper	USD/lb	2.56	2.40	2.47	2.49	2.50	2.53	2.56	2.58	2.61	2.63	2.66	2.69
95% Payable	AUD/t	7,742	7,030	7,553	7,621	7,669	7,771	7,851	7,878	7,906	7,933	7,961	7,986
Cobalt	USD/lb	13.63	12.90	12.90	13.18	13.38	13.59	13.71	13.82	13.94	14.05	14.16	14.28
90% Payable	AUD/t	39,090	35,798	37,428	38,222	38,854	39,481	39,833	39,914	39,996	40,077	40,159	40,230
Calc Sulphur	USD/t	133	130	131	131	132	132	133	133	134	134	135	135
80% Payable	AUD/t	153	145	153	153	154	155	156	155	155	154	154	153
Gold	USD/oz	1,167	1,140	1,162	1,179	1,176	1,174	1,173	1,171	1,169	1,167	1,165	1,164
95% Payable	AUD/oz	1,603	1,515	1,614	1,637	1,635	1,633	1,632	1,619	1,606	1,594	1,582	1,571
Magnetite	AUD/t	66	70	65	64	64	64	64	65	66	66	67	68
Silver	USD/oz	16	15	15	16	16	16	16	17	17	17	18	18
95% Payable	AUD/oz	23	20	21	22	22	22	23	23	24	24	24	24

AUD/USD Exchange rate linked to gold, iron 0re & coal prices with a start price of 0.73

Concentrate transport cost (FOB/t) – AUD $94.00

Cu Treatment & Refining Costs per pound – AUD $0.33

Treatment & Refining Costs per pound (CuEq - av all products) – AUD $0.44

Gold – 1 g/t

Silver – 30 g/t

Royalties	Rate (%)	Comment
Cu (approximate royalty rate @ US$$7,400per oz)	4.10%	*Variable*
NatCu (95%+ con)	3.28%	*Discount to CPY*
Co	2.70%	*Flat*
Au/Ag	5.00%	*Flat*
Mgt	$1.25	*AUD$ Flat rate per tonne (if Mgt <$100/t)*
S	2.50%	*Non-prescribed in QLD (falls under "other minerals")*

Revenue factors

- *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.*
- *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*

PHYSICALS	Total	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Ore Mined/Processed												
Ore Mined	142,304	2,445	20,000	20,000	25,000	20,000	20,000	20,000	14,859	-	-	-
Ore Processed	30,522	840	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,682
Production												
Copper												
Produced	187,002	15,113	34,414	18,424	17,902	16,302	21,860	15,603	16,398	15,235	10,422	5,328
Head Grade - CuEq	1.53	4.13	2.76	1.37	1.52	1.59	1.84	1.37	1.22	1.27	0.90	0.60
Head Grade - Cu	0.73	2.63	1.42	0.68	0.67	0.64	0.83	0.59	0.58	0.61	0.42	0.25
Recovery - Conc Grade Equ	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*	*30.36*
Recovery - Nat Cu	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*	*95.00*
Cobalt												
Produced	9,315	362	1,647	784	915	1,081	1,238	914	712	657	573	431
Head Grade	364.9	848.9	669.2	278.3	364.9	395.9	423.7	315.2	237.9	310.9	269.2	234.9
Recovery	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*	*92.00*
Gold												
Produced	92,777	6,598	12,931	9,039	9,992	7,778	9,869	7,357	10,743	8,815	5,672	3,982
Head Grade	0.14	0.37	0.21	0.14	0.15	0.12	0.15	0.11	0.16	0.13	0.09	0.07
Magnetite												
Produced	1,659,696	45,088	228,395	170,052	172,897	236,274	234,340	178,857	131,405	121,816	91,837	48,734
Head Grade	6.95	6.86	9.73	7.25	7.37	10.07	9.99	7.62	5.60	5.19	3.91	2.32
Recovery	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*	*86.48*
Commodity Prices												
Copper	7,742	7,030	7,553	7,621	7,669	7,771	7,851	7,878	7,906	7,933	7,961	7,986
Cobalt	39,090	35,798	37,428	38,222	38,854	39,481	39,833	39,914	39,996	40,077	40,159	40,230
Calc Sulphur	153	145	153	153	154	155	156	155	155	154	154	153
Gold	1,603	1,515	1,614	1,637	1,635	1,633	1,632	1,619	1,606	1,594	1,582	1,571
Magnetite	66	70	65	64	64	64	64	65	66	66	67	68
Silver	23	20	21	22	22	22	23	23	24	24	24	24

Market Assessment

- *The status of agreements with key stakeholders and matters leading to social licence to*

CuDeco has signed an offtake agreement for 60% of the sulphide concentrates, copper and cobalt/pyrite under normal smelter terms.

CuDeco is in continuing negotiations regarding the remaining 40%. Also signed is an offtake agreement for up to 40,000 tonnes per

	operate.	annum of native copper metal with a Chinese smelter. A Heads of Agreement has been signed for an offtake for the fine magnetite by an Australian magnetite trader.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• A financial model was prepared using inputs generated in the Feasibility Study and summarised elsewhere in this Table. • The Base Case inputs from the Feasibility Study generate a net present value of over A$400 million after tax but excluding financing costs. • Sensitivity cases were run on copper price, AUD/USD exchange rate, remaining capital costs, operating costs, copper head grade and recovery and cobalt head grade and recovery. Project is most sensitive to copper price and exchange rate but still maintains a strong positive NPV with adverse changes of 20% to the Feasibility Study Base case values. • The financial model considers capital, operating and revenue cash flows from 1 July 2015 with production commencing in 2016. All costs prior to 1 July 2015 are treated as sunk.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	Conduct and Compensation Agreement has signed with the landholder and remains in place for the 30-year life of the mining leases. Cultural Heritage Management Plans have been developed and signed with the two major indigenous groups which have claims over the land occupied by the mining leases. Ancillary (Native title) agreements have been signed with both groups and the Queensland government has signed the Section 31 Deed. Road use agreements have been signed with the Cloncurry Shire Council and with Transport and Main Roads, Queensland.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be*	• There are no identified material naturally occurring risks to the project, and/or the estimation and classification of the Ore Reserves, other than potential for adverse weather conditions including significant heat, rainfall and flood events. Site infrastructure has been designed to withstand 1 in 10,000 year rainfall event. Procedures are also in place to manage abnormal weather conditions and also high heat induced heat-stress in relation to staff exposure; processing equipment is rated to withstand the ambient heat conditions. Bore-water monitoring indicates that there is sufficient groundwater to sustain the project. Additional wet-season harvesting and a pipeline connecting to the town's waste-water supply will assist in mitigating any risk in this regard. • There are no outstanding legal agreements that are likely to have a material impact on the Project. • All necessary government approvals are in place. The mining leases have been granted for a 30-year period, The Environmental Authority has been issued and is up to date. An updated Plan of Operations has been submitted recently and there are no reasonable grounds to believe that it will not be approved within the statutory timeframe.

<table>
<tr><td></td><td>reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</td><td></td></tr>
<tr><td>Classification</td><td>• The basis for the classification of the Ore Reserves into varying confidence categories.
• Whether the result appropriately reflects the Competent Person's view of the deposit.
• The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</td><td>• Lack of geotechnical information for a small area on the western side of Rocklands South and over the Rainden pit has resulted in categorizing the Measured Mineral Resource in these areas as part of the Probable Ore Reserve.
• In all other areas the contributing experts have confirmed that the critical mining, metallurgical, infrastructure, cost, revenue, environmental, social and permitting assumptions are considered to be at a high level of confidence commensurate with Proved and Probable Ore Reserves. The confidence category applied to the Ore Reserves therefore corresponds with the category of the Mineral Resources. The estimated Proved Ore Reserves are the economically mineable part of the Measured Mineral Resources and the estimated Probable Ore Reserves are the economically mineable part of the Indicated Mineral Resources with the exception noted above.</td></tr>
<tr><td>Audits or reviews</td><td>• The results of any audits or reviews of Ore Reserve estimates.</td><td>A Mine Schedule was generated based on the Reserve Estimate, and comparative analysis undertaken against internally generated schedules, with no areas of concern identified and good correlation of summary data observed. Other than this, no other audits or reviews have been conducted by Rocklands Staff on the Ore Reserve estimates, other than QAQC on input data, as covered in other areas of this table.</td></tr>
<tr><td>Discussion of relative accuracy /confidence</td><td>• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a</td><td>Results from 5m composite sampling of high-resolution blast-hole drilling (3x3m or 3x4m grid) is correlating well with the Resource model, notwithstanding comparative fluctuations between different ore types.
Results of Resource and Grade Control reconciliation to end June 2015:
<table>
<tr><th colspan="7">Conversion of DIG PLAN to stockpiles (mining & ore control)**</th></tr>
<tr><td>Source/Destination</td><td>TONNES</td><td>Cu%</td><td>Co ppm</td><td>Au g/t</td><td>Mag %</td><td>Spec_CuEq%</td></tr>
<tr><td>Dig-plans</td><td>2,277,747</td><td>1.02</td><td>546</td><td>0.17</td><td>2.65</td><td>1.09</td></tr>
<tr><td>Stockpiles</td><td>2,247,410</td><td>1.03</td><td>534</td><td>0.16</td><td>2.76</td><td>1.04</td></tr>
<tr><td>Mining loss (ore loss):</td><td>-1.33%</td><td>loss</td><td colspan="4" rowspan="3">** in the absence of production data, grades and tonnes should be treated as estimates.</td></tr>
<tr><td>Mining dilution (grade loss):</td><td>0.92%</td><td>gain</td></tr>
<tr><td>Overall metal factor:</td><td>99.57%</td><td></td></tr>
</table></td></tr>
</table>

qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.

- *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*
- *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*
- *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*

Conversion of RESOURCE to digplans (grade control)**						
Source/Destination	TONNES	Cu%	Co ppm	Au g/t	Mag %	Spec_CuEq%
Resource	1,973,532	1.19	565	0.18	6.05	1.27
Dig plan	2,277,747	1.02	546	0.17	2.65	1.09
Ore gain/loss:	**15.41%**	**gain**	** in the absence of production data, grades and tonnes should be treated as estimates.			
Grade gain/loss:	**-14.60%**	**loss**				
Overall metal factor:	**98.56%**					

Conversion of RESOURCE to stockpiles (grade control, mining & ore control)**						
Source/Destination	TONNES	Cu%	Co ppm	Au g/t	Mag %	Spec_CuEq%
Resource	1,973,532	1.19	565	0.18	6.05	1.27
Stockpiles	2,247,410	1.03	534	0.16	2.76	1.04
Ore gain/loss:	**13.88%**	**gain**	** in the absence of production data, grades and tonnes should be treated as estimates.			
Grade gain/loss:	**-13.82%**	**loss**				
Overall metal factor:	**98.14%**					

Internal audits consisted of the following;

- **Grade:**

  Grade estimates are undertaken using Cube Consulting's Surpac based, macro-driven estimation programme (GCX) and were interrogated using an in-house Excel-based averaging method, with good correlation between the two separately estimated data sets.

- **Tonnes**

Four points of agreement were interrogated, including pit-survey volume, stockpile survey volume, mining truck logs and geologist spotters truck logs. All data showed good correlation, with less than 5% differences between each. Independently undertaken stockpile survey audit also correlated well with in-house surveys.

1.4 RESOURCE AND RESERVE CATEGORIES – EXPLANATION

According to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition:-

A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as

appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The guidelines in the JORC Code state that the term 'economically mineable' implies that extraction of the Ore Reserves has been demonstrated to be viable under reasonable financial assumptions. This will vary with the type of deposit, the level of study that has been carried out and the financial criteria of the individual company. For this reason, there can be no fixed definition for the term 'economically mineable'.

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

The guidelines provided in the JORC Code note that "A Proved Ore Reserve represents the highest confidence category of reserve estimate and implies a high degree of confidence in geological and grade continuity, and the consideration of the Modifying Factors. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits."

The following figure, from the JORC Code, sets out the framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation.

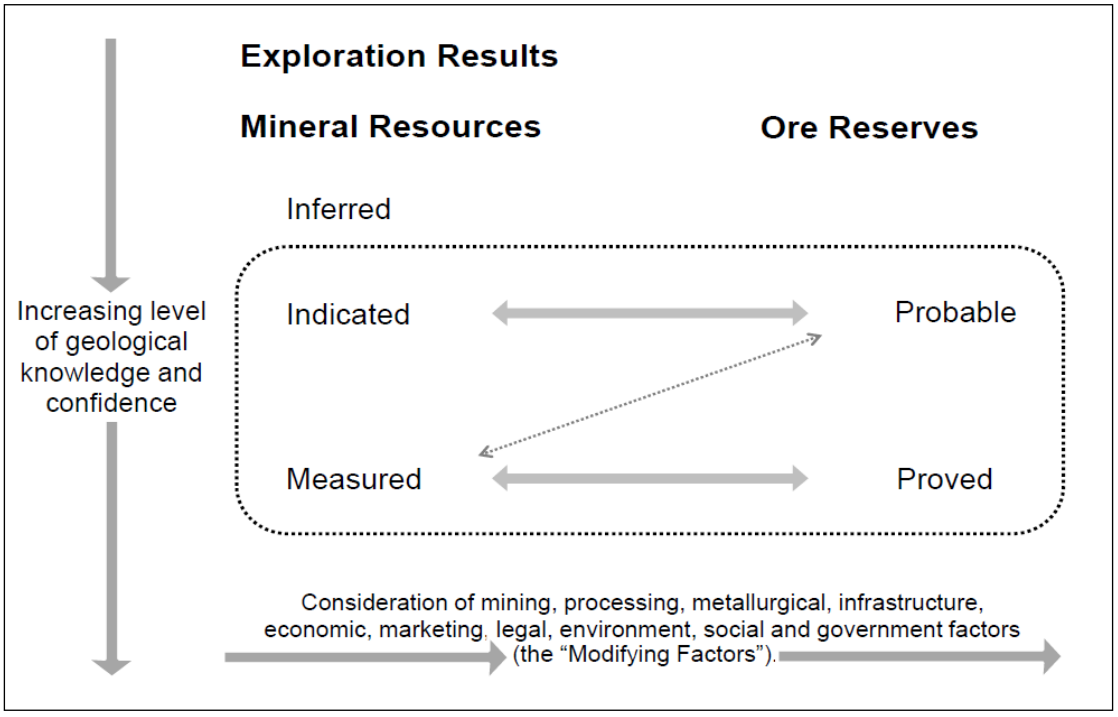


Figure 1 General relationship between Exploration Results, Mineral Resources and Ore Reserves, from 2012 JORC Code Figure 1

Mineral Resources can be estimated on the basis of geoscientific information with some input from other disciplines. Ore Reserves, which are a modified sub-set of the Indicated and Measured Mineral

Resources (shown within the dashed outline in the Figure above), require consideration of the Modifying Factors affecting extraction, and should in most instances be estimated with input from a range of disciplines.

Measured Mineral Resources may be converted to either Proved Ore Reserves or Probable Ore Reserves. The Competent Person may convert Measured Mineral Resources to Probable Ore Reserves because of uncertainties associated with some or all of the Modifying Factors which are taken into account in the conversion from Mineral Resources to Ore Reserves.

Inferred Resources cannot convert to Ore Reserves.

Appendix D

Extract of Executive Summary of Feasibility Study

Mining Associates Limited
Unit A, Level 26, Chinaweal Centre
414-424 Jaffe Road
Wan Chai Hong Kong SAR
M +852 6381 5197

Mr Bruno Bamonte
Company Secretary
CuDeco Limited
Unit 34, Brickworks Annex
19 Brolga Avenue
Southport QLD 4215
Australia

21 March 2016

Dear Bruno

1.1 Background

Mining Associates Limited ('**MA**') were commissioned by CuDeco Limited ('**CuDeco**' or the '**Company**') to prepare a Feasibility Study on the Company's Rocklands Group Copper Project ('**Rocklands**' or '**Project**'). Rocklands is a multi-lode high grade copper-cobalt-gold (including native copper) deposit with associated magnetite of the Iron Oxide Copper Gold ("IOCG") style located in the Eastern Fold Belt of the Mt Isa Inlier about 17 km northwest of Cloncurry, Queensland, Australia.

The Feasibility Study covers the Stage-1, 10 year mine plan, which is the initial phase of a multi-stage development and production strategy for the Project. An executive summary of that Feasibility Study prepared by MA was announced by the Company to the ASX on 3 March 2016 ('**Summary**').

1.2 Consent

The attached extract of the Summary ('**Extract**') is to be included in the Company's prospectus for a rights issue of 1 share for every 4 shares held at $0.80 to raise approximately $63.1 million ('**Prospectus**'). These funds will be used for the purpose of completing the construction of the Company's mineral processing plant, commissioning of the plant and providing working capital for the Company.

MA consent to the inclusion of this Extract as an appendix to the Prospectus and for the inclusion of references to its name in other sections of the Prospectus in the form and context in which the Extract and those statements appear, and has not withdrawn that consent prior to issue of the Prospectus.

Where this Extract contains statements attributable to third persons, these statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. The authors of these previous reports have not consented to the statements' use in this Extract, and these statements are included in accordance with ASIC Class Order [CO 07/428] Consent to quote: Citing trading data and geological reports in disclosure documents and PDS.

1.3 Independence

MA have no material interest in the Project or the Company. No employees of MA are, nor intend to be a director, officer or other direct employee of the Company. The relationship with the Company is solely one of professional association between client and independent

consultant. Any review work and reports prepared by MA are in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of our work and reports including the Summary and the Extract.

Yours Sincerely

Andrew J Vigar
Director

Extract from Executive Summary
Feasibility Study
Rocklands Group Copper Project
Queensland, Australia

Prepared for CuDeco Limited

By Mining Associates

Publish Date: 21 March 2016
Effective Date (Resources): 30 June 2015
Effective Date (Reserves): 31 December 2015

This is an extract of the Executive Summary of the Feasibility Study announced by CuDeco Limited to the ASX on 3 March 2016 prepared for the purposes of CuDeco Limited's Prospectus dated 8 April 2016 for its non-renounceable rights issue of 1 share for every 4 shares held at $0.80 per share to raise approximately $63.1 million before expenses.

CuDeco LTD. Head Office.
Unit 33, Brickworks Annex
19 Brolga Avenue
Southport QLD 4215
Australia
T: +61 (7) 55 031955
F: +61 (7) 55 030288
W: www.cudeco.com.au

Mining Associates Limited
Unit A, Level 26, Chinaweal Centre
414-424 Jaffe Road
Wan Chai Hong Kong SAR
T: +852 3125 7536
M: +852 6381 7856
W: www.miningassociates.com

Table of Contents

Caveat Lector

This Executive Summary from the Rocklands Feasibility Study Report has been prepared for CuDeco Limited (CuDeco) by Mining Associates Limited (MA), based on assumptions as identified throughout the text and upon information and data supplied by others.

The Report is to be read in the context of the methodology, procedures and techniques used, MA's assumptions, and the circumstances and constraints under which the Report was written. The Report is to be read as a whole, and sections or parts thereof should therefore not be read or relied upon out of context.

MA has, in preparing the Report, followed methodology and procedures, and exercised due care consistent with the intended level of accuracy, using its professional judgment and reasonable care. However, no warranty should be implied as to the accuracy of estimates or other values and all estimates and other values are only valid as at the date of the Report and will vary thereafter.

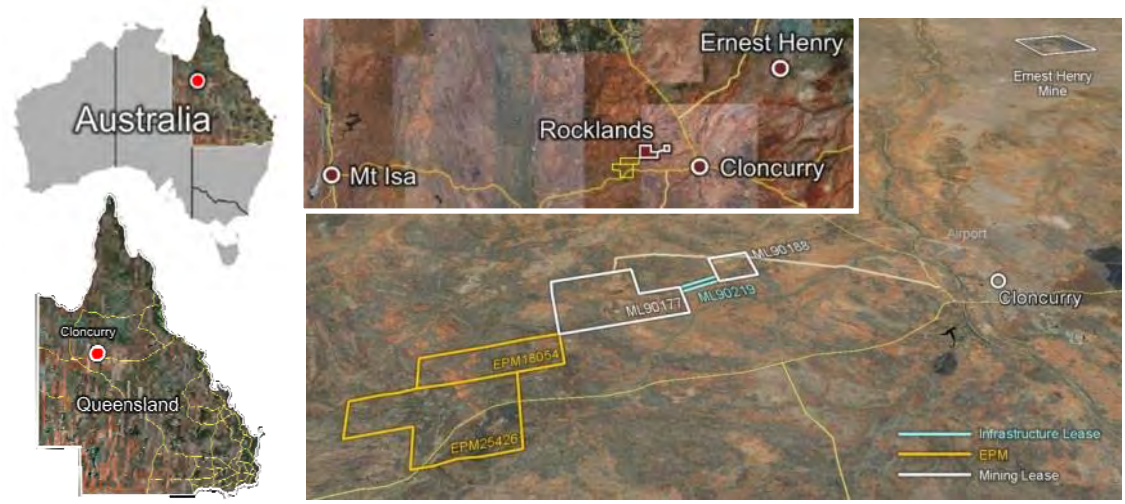
Parts of the Report have been prepared or arranged by CuDeco or third party contributors, as detailed in the document. While the contents of those parts have been generally reviewed by MA for inclusion into the Report, they have not been fully audited or sought to be verified by MA. The list of references and authors at the end of this report lists the sources consulted. MA is not in a position to, and does not, verify the accuracy or completeness of, or adopt as its own, the information and data supplied by others and disclaims all liability, damages or loss with respect to such information and data.

In respect of all parts of the Report, whether or not prepared by MA no express or implied representation or warranty is made by MA or by any person acting for and/or on behalf of MA to any third party that the contents of the Report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Third parties who rely upon the Report do so at their own risk and MA disclaims all liability, damages or loss with respect to such reliance.

1.1 PROJECT OVERVIEW

Rocklands is a multi-lode high grade copper-cobalt-gold (including native copper) deposit with associated magnetite of the Iron Oxide Copper Gold ("IOCG") style located in the Eastern Fold Belt of the Mt Isa Inlier about 17 km northwest of Cloncurry, Queensland, Australia. On 3 March 2016, the Company announced its Feasibility Study that covers the Stage-1 10 year mine plan, which is the initial phase of a multi-stage development and production strategy for the Project which is likely to extend beyond the 10 years.

The Project design comprises of two main open pits, a third smaller production pit, and an infrastructure pit located in an ore zone, which will deliver ore to an adjacent 3 million tonne per annum processing plant and associated infrastructure. The Project is 100% owned by CuDeco Limited ("CuDeco", ASX: CDU), an ASX listed company headquartered in Southport, Queensland, Australia. The Project comprises three Mining Leases totalling 1956.5 hectares and two adjacent exploration licences (EPM18054 and EPM25426). Mining lease ML90177 covers the known resource areas, process plant site and supporting infrastructure, ML 90188 covers the tailings storage facility and ML90219 is a transport corridor linking the two.



Rocklands Project Tenements and Location

CuDeco have been trial mining the deposit since 2012 during which a total of 13.8 Mt of ore and waste has been excavated with an estimated 2.2 Mt of ore stockpiled, ready for processing. This has confirmed the robustness of the resource model and generally contributed to increased geological knowledge, significantly de-risking aspects of the project

Potential for grade underestimation of copper has been identified during resource drilling and mining, within ore zones containing coarse native copper, and may result in additional copper output over the mine life should this be confirmed from production reconciliation. This upgrade option is not included in this study.

Initial capital construction and working-capital cost requirements are estimated at $637 million. The Rockland project is approximately 90% complete as of December 2015, at which point approximately $573 million has been invested to date and CuDeco estimate that an additional $64 million is required for the project to reach practical construction completion, including working capital and other corporate requirements. All dollars are Australian dollars unless notarised.

1.2 SCOPE

MA was commissioned by Mr Peter Hutchison of CuDeco in November 2015 to undertake coordination and preparation of a Feasibility Study. MA's scope of work included the following areas:

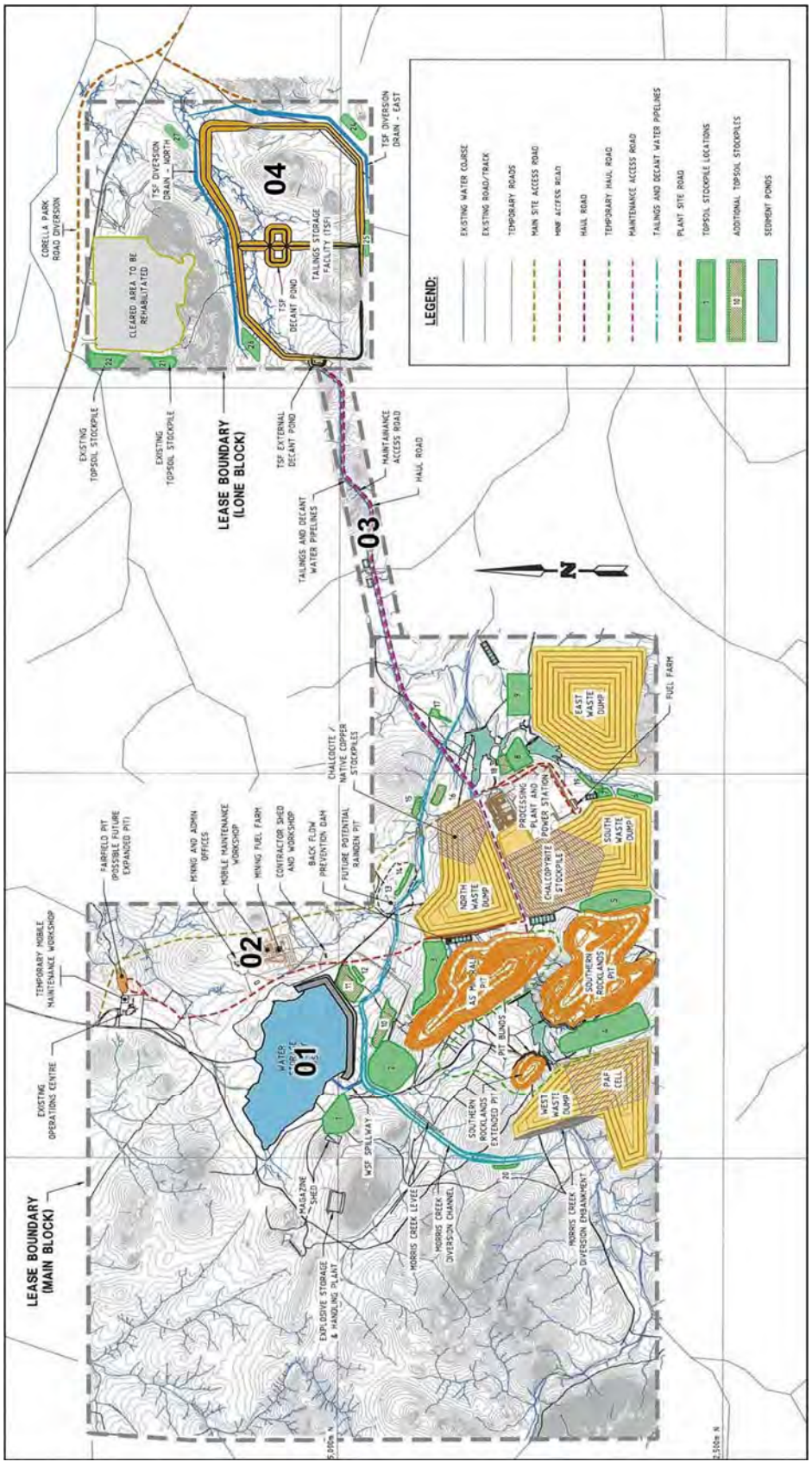
- Oversight and coordination of Rocklands Group Copper Project Feasibility Study
- Review of existing study information (by recognised professionals)
- Preparation of the Feasibility Study document from information provided by CuDeco and other sub consultants nominated by CuDeco

The principal consultants and inputs to the Feasibility Study were as follows (with abbreviations as used throughout):

- Mineral Resources: Mining Associates (MA)/CuDeco
- Mine and Site Geotechnical: CuDeco/Pell Sullivan Melnick (PSM)
- Mine Design and Ore Reserves: CuDeco/Australian Mine Design (AMDAD)
- Metallurgical testwork: CuDeco and others under CuDeco direction
- Process design: Sinosteel (NERIN)/CuDeco
- Plant and infrastructure: Sinosteel (NERIN)/CuDeco
- Project Infrastructure: CuDeco/ATC Williams (ATCW)/Knights Piesold (KP)
- Tailings storage facility: CuDeco/KP/ATCW
- Hydrology: CuDeco/KP
- Capital and Operating Costs:CuDeco/Sinosteel

A 750 tonne per month copper casting plant for the native copper has been successfully commissioned.

The following figure depicts the overall Rocklands project site.



General Rocklands Project Site Layout

1.3 RESOURCE AND RESERVES

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 below:

Copper Resource - Combined Open Pit and Underground at 30 June 2015.

Resource category	Assumed mining method	Cut-off grade[1] CuCoAu[2] %	Cut-off grade[1] Cu %	Tonnes Mt	Estimated Grade Cu %	Co ppm	Au ppm	Mag %	Copper Equivalents CuCoAu[2] %	CuEq[3] %	Contained Metal Equivalent 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**

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

In addition, and within the same open pit is a magnetite resource where both copper and CuCoAu grades are below cut-off, but magnetite is of sufficient grade to be mineable in its own right (i.e. >10% magnetite). This is an open pit only resource and will be stockpiled available for treatment at the end of mine life, dependent on metal prices at the time.

Additional Magnetite Resource – Open Pit only as at 30 June 2015

Resource category	Cut-off Mag %	Tonnes Mt	Estimated Grade Mag %	Contained Metal Magnetite 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**

Total material within the Whittle shell 49 is 606 Mt. The total of Open Pit resources (copper plus magnetite-only) is 235 Mt.

The Maiden Ore Reserve Estimate was prepared by Australian Mine Design and Development (AMDAD). The Ore Reserve is based on a 10-year open pit only mine plan also prepared by AMDAD. The ore reserves were released to the market on 11th December 2015. The current operating plan for the Project is to mine the deposit via open cut methods and direct feed process for 7-8 years with process only from stockpiles for the last 2-3 years. There is scope to extend the mine life from existing resources, in particular underground access which has not been considered for this study.

Rocklands Copper Project Ore Reserves as at 31 December 2015

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% 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

Note : Ore Reserve Estimate includes stockpiled ore of 2.2 Mt up to the end of December 2015 and ore remaining in the designed open pits after this date.

* Proved ore includes stockpiled material of 2.2 Mt.

** CuEq - refer to ore reserve press release

Some revisions were made to the Feasibility Study after release of the Ore Reserves in December 2015. These were checked by AMDAD. The only change noted which impacts on selection of ore and waste is an increase to the processing cost. AMDAD ran an Ore Reserves report using the increased processing cost. The decrease in ore tonnes is less than 0.5% and the decrease in contained copper is less than 0.15%. AMDAD does not consider these changes to be material. Project cash flow model still show the project to be commercially viable with a reduction in net present value of less than 0.2%. On these bases AMDAD does not consider a revision to the published Ore Reserves to be warranted at this time.

1.4 MINE METHOD

The planned mining method for Rocklands is a conventional open pit truck and shovel operation, using 180t and 190t class hydraulic excavators, in backhoe configuration, and 90t dump trucks. Drilling and blasting is conducted on 10 m high benches. Digging is conducted on flitches of 2.5 m height in the ore and up to 5 m high in bulk waste blocks. CuDeco currently owns and operates its own Mining fleet. Proposals for a 'Dry Hire' Leased Fleet have been sought and are currently being assessed to compare costs with current fully owned and maintained fleet.

At the end of the December 2015 quarterly report some 13.8 Mt of material has been mined of ore and waste from the production pits. To the end of June 2015 there was some 2.2 Mt of ore stockpiled that is ready for treatment through the process plant.

The open pit designs are based on the slope angles from geotechnical recommendations, shells from pit optimisation, and suitable haul ramps (grade, width and switchback radius) for Komatsu HD785 90 tonne payload rigid dump trucks.

Pit optimisation has been completed by AMDAD, using the Whittle suite of optimisation software. Ranges of parameters were applied by CuDeco as summarised below (all in AUD unless specified):

- Mining Costs - A$2.50/t of mined material plus a A$0.10/t increment for every 10 m vertical depth.
- Pit slopes inter-ramp angles ranging from 34^0 to 51^0.
- Process Costs - A$12.81/t of mill feed
- Processing Limit – 3.0 Mtpa
- Discount Rate – 5%
- Metal Prices - Cu A$3.84/lb, Co A$18/lb and Au A$1,200/oz.
- Recommended pit slope designs were initially recommended by PSM in December 2011. After a site visit by PSM in 2014, a slight revision was made to the initial PSM's slope components.

Key project inputs provided to AMDAD for the mine plan include:-

- The resource model prepared by Mining Associates Pty Ltd (MA) in November 2013,
- Pit wall design guidelines by Pells Sullivan Meynink (PSM),

Ore processing costs, general site operating costs, metallurgical recoveries and metal prices provided by CuDeco. The Las Minerale and Southern Rocklands Pit development will occur in stages. The Las Minerale Stage 1 is complete after reaching an RL of 152.5RL vs. a design of 150RL. Las Minerale Stage 2 has been partially developed to 170RL. Final design is to 100RL. Las Minerale Final has been partially pre-stripped to 215RL with a cutback to commence on completion of Stage 2. Initial pre-strip of the Southern Rocklands Pit has begun. The Southern Rocklands Pit will be developed in 2 stages with the potential for an additional small high grade pit to access native copper rich material.

The current mine production plan adopts an accelerated mining operation that completes 10 years of mining over a 7 year time frame, see table below for the Mine Production Plan.

Planned Production Rates – Total mined/annum.

Year	Waste (kt)	Ore (kt)
0 (stockpiles)		2,200
1	8,786	3,659
2	16,539	3,461
3	17,485	2,515
4	17,353	2,647
5	16,041	3,959
6	16,059	3,941
7	16,971	3,029
8	7,560	2,299
9 & 10	-	-
Total	116,795	27,700 (rounded to 28M reserves)

Knight Piésold Consulting undertook initial Waste Dump Designs. Four Waste Dumps have been approved by the Department of Environmental and Heritage Protection (DEHP), East, West, North & South. Initial waste

haulage is to the East and West Waste Dumps. As the pits get deeper these dumps are completed and haulage moves to the North and South dumps reducing the haul distances. Capacity of the combined dumps will meet the requirements for all currently planned pits.

Blasthole drilling is conducted on a contract basis using a fleet of 4 Sandvik 1100 class Blasthole Drill Rigs. Drilling consists of 10 m Benches, with flitches of 2.5 m. Blastholes will be primarily 102 mm diameter with 89 mm holes used to enhance wall control and minimise blast damage. Trim shots will be used to minimise blast damage to batters. Trim shots will be kept to minimum possible width (10 m -12 m). Powder factors will vary according to material type, using Emulsion (Fortis Advantage or equivalent).

1.4.1 Waste rock characterisation

Knight Piésold (KP) provided design parameters and construction guidelines for the Rocklands waste rock dump (WRD) which have been used in the WRD design and sequencing. Waste rock characterisation work by KP found that:-

- The main waste domains are dolerite, sediment, breccia, calcareous, quartz sediment and meta-sediment and cover material comprising colluvial, alluvial and ferricrete and calcrete rocks.
- Waste rock has a high to very high salinity risk and high pH risk and is generally poorly suited for use in outer facing of WRDs.
- Waste rock generally has a low to moderate sulphide content.
- Large proportions of carbonate can be present in the waste rock providing moderate to high acid neutralising capacities. The variability of the acid neutralising capacity of the rock however requires ongoing testing during the mining operation.
- Approximately 7% of the waste to be mined will require placement within an engineered PAF storage area.
- Different domains present varying degrees of potential acid production/consumption.

1.5 METALLURGY AND PROCESS PLANT OVERVIEW

1.5.1 Metallurgical Testwork and Design

Copper species are dominated by:

- Oxide zone: Malachite, azurite, tenorite, cuprite and native copper.
- Supergene enrichment zone: Chalcocite and native copper.
- Secondary sulphide enrichment zone: Altered sulphides - chalcocite and bornite.
- Primary sulphide zone: Unaltered original sulphide emplacement of chalcopyrite and bornite.

To define the mineralogy into ore-types for processing, a colour-coding system has been developed for mapping and production planning. Each of the six primary ore type classifications have been additionally subdivided into low and high grade to provide blending capability.

- Aqua – Oxide (OX)
- Pink - Native Copper Oxide (NC_OX)
- Blue – Chalcocite (CC)
- Purple - Native Copper Chalcocite (NC_CC)
- Yellow – Chalcopyrite (CPY)
- Orange - Native Copper Chalcopyrite (NC_CPY)
- Brown – Mineralised Waste
- Grey – Magnetite Waste

As metallurgical testing commenced prior to the above classification system being developed, and was focussed on individual lithologies and the major target mineral groups, there is not always a clear link between samples tested and current production planning process, so some generalisations and extrapolations have been required to develop performance parameters for each classification.

Sampling initially targeted the four main mineralogical and lithological groups, from within the main drilled zones of Las Minerale and Rocklands South:

- Native Cu/oxide;
- Chalcocite (with minor Native Cu);
- Hydrothermal Breccia Primary Sulphide (Chalcopyrite and Pyrite), and
- Dolerite Breccia Primary Sulphide.

Numerous technologies and techniques were applied to mineralised samples extracted from across the Rocklands mineralised zones to establish the general amenity of mineral species to efficient recovery to produce quality saleable products, and to determine any potential processing problems.

CuDeco has undertaken extensive metallurgical testing on each of the material types for input to the design of the processing plant. These have included Mineral Liberation Analysis (MLA), SMC Tests, Bond Work Index (BWI) testing, Gravity (and physical) Separation, Flotation testing and Magnetic Separation.

The following Table shows a summary of the procedures and processing techniques that have been applied to Rocklands mineralisation.

Summary of Processing Techniques Applied to Rocklands Mineralisation.

Mineralisation Type	Crush	Screen	Leach	Gravity	Mill	Flotation	Filtration
Oxidised	√		√			√	
Native Copper	√	√		√	√	√	√
Chalcocite	√				√	√	√
Primary	√				√	√	√

Following MLA assessment undertaken in early 2008 of the Rocklands oretypes, a defined program of metallurgical testwork was carried out on copper ore samples by AMMTEC from November 2008 to September 2010.

Referee testwork to substantiate the results from AMMTEC, and orebody variability testwork was carried out by Burnie Research Labs between mid-2009 and mid-2014.

Nagrom undertook pilot flowsheet studies on three ore parcels from CuDeco's Rocklands project. The studies ran from November 2010 to September 2011 and included the following three ore- type domains:

- Native Copper Ore
- Primary Copper Ore
- Chalcocite Copper Ore

It was decided to plant trial one of CuDeco's ore types at the Ernest Henry Mine (EHM) Concentrator in November of 2014. The ore selected was a 22 kt blended parcel of highly weathered (1,500 tonnes) and the

balance was high grade ore from the breccia zone containing primary ore (chalcopyrite). The ore was a hydrothermal breccia dominated by dolerite and siltstone with 20-25% calcite and quartz. The objective of the trial was to determine the metallurgical performance of the ore utilizing EHM's plant and reagents. As a commissioning trial of the ore-type, the results (82.64% Cu recovery and 29.13% Cu concentrate grade) are considered to be excellent for a trial of such a short duration.

1.5.2 Process Overview

The Rocklands Fixed Crushing Plant and Copper Concentrator are designed to treat 3.0 million tonnes of ore per year at 91.3 % availability. Crushed ore will be fed into the processing plant, which will produce five saleable products:

- Coarse native copper concentrate
- Filtered fine native copper concentrate
- Filtered sulphide copper concentrate
- Filtered pyrite concentrate containing cobalt
- Filtered magnetite concentrate

A copper casting plant has recently been installed. The furnace has a rated capacity of 1 t/h, and will produce half tonne copper ingots by melting coarse native copper.

Presented below are generalised process indices extracted from Nerin's Basic Design Specification, dated October 2012, which formed the basis for mass balancing plant sections.

Designed Mineral Processing Indices

Material	Yield %w/w	Grade (%)				Recovery (%)			
		Cu (Tot)	Co	S	TFe	Cu (Tot)	Co	S	TFe
Blended Feed	100	3.0	0.2	9.6	14.2	100	100	100	100
Copper Concentrate	8.91	32.0	0.2	33.0	26.0	95.0	7.1	30.6	16.3
Cobalt Concentrate	13.00	0.74	1.0	50.0	28.4	3.21	65.0	67.7	26.0
Flotation Tails	78.09	0.069	0.071	0.208	10.492	1.79	27.90	1.69	57.70
Magnetic Concentrate	8.77	0.13	0.01	0.020	68	0.38	0.44	0.018	42
Tailings	69.32	0.061	0.079	0.23	3.22	1.41	27.46	1.67	15.70

1.5.3 Process Flowsheet

The key aspects of the flowsheet for the treatment of the Rocklands ore are:

- The recovery of the native copper component in the feed into separate products: Very Coarse (>40 mm – from crushing plant), Coarse (>1 mm by jigs) and Fine (<1 mm, >0.1 mm from spirals and tables),
- The differential separation and recovery by flotation of the copper minerals and the pyrite containing cobalt,
- Recovery of magnetite from flotation tailings.

Simplified flowsheets are presented below.

The Fixed Crushing Plant was initially installed with the following equipment:

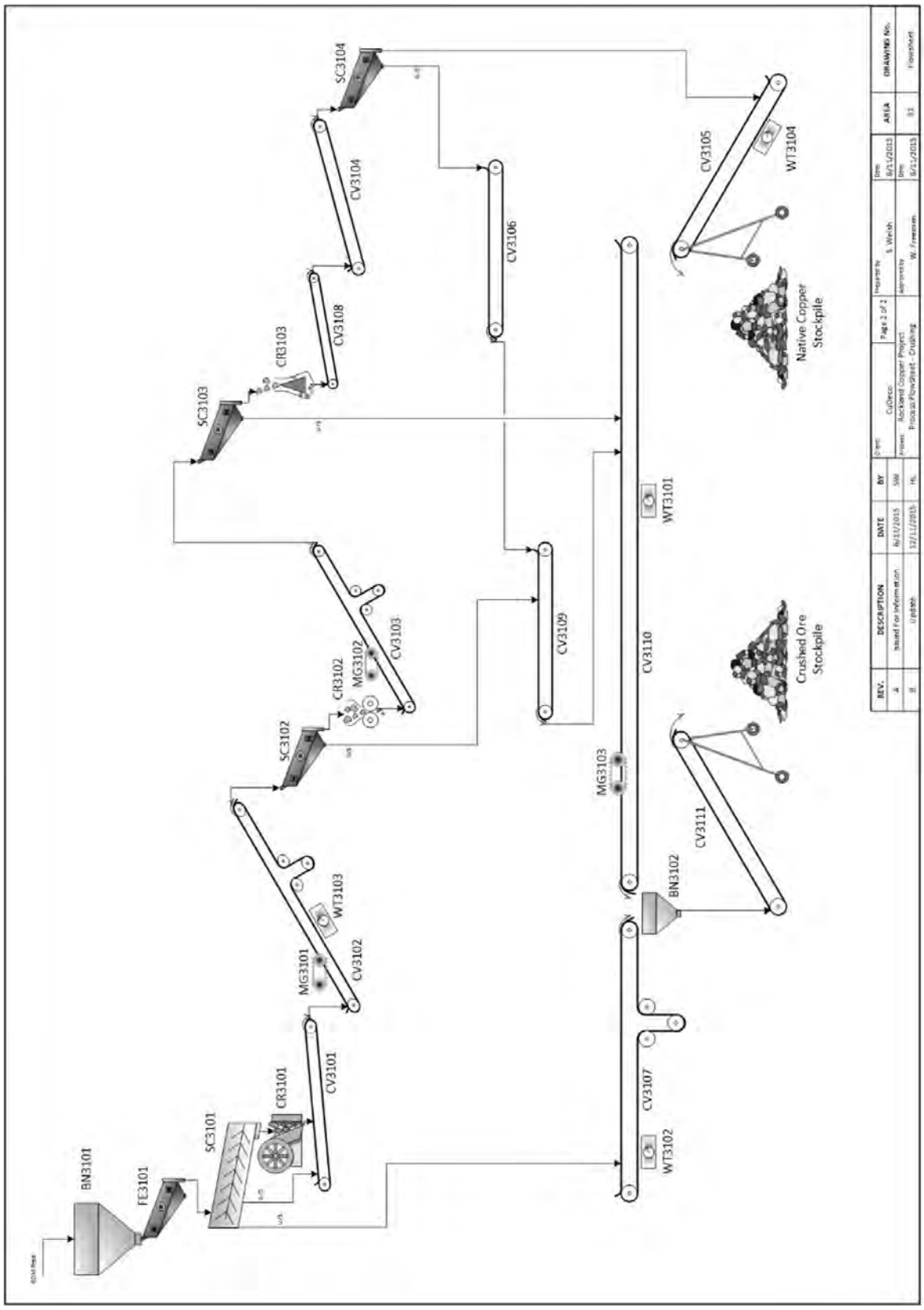
- Grizzly screen

- Jaw crusher
- Two rolls crushers
- Various screens and conveyors.

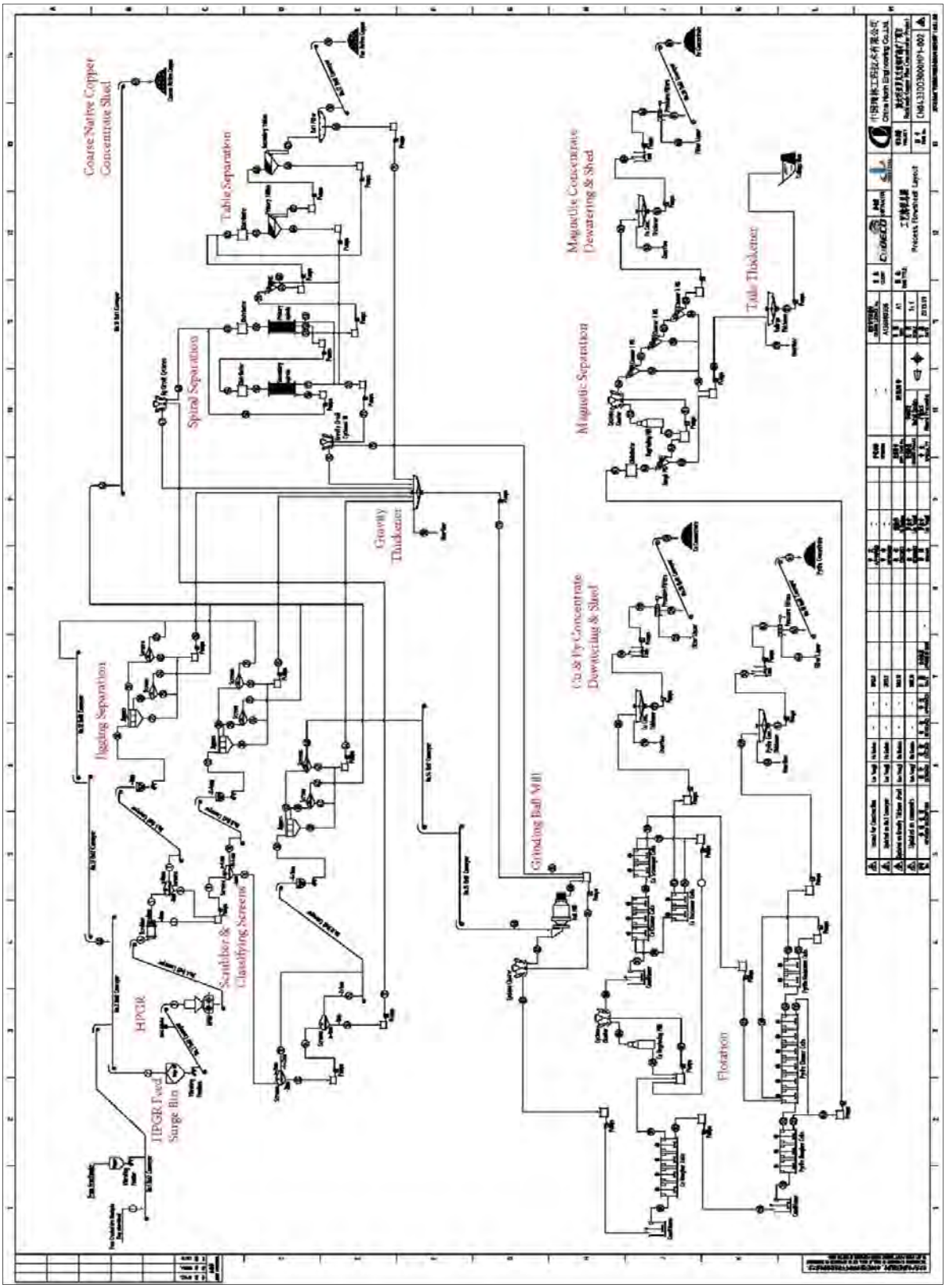
Following the trials with an ore sorter and cone crusher, as discussed in Section 13, the second rolls crusher was replaced with a cone crusher.

The Process Plant installed at Rocklands consists of:

- A high pressure grinding roll (HPGR)
- A rotary scrubber (de-agglomerator)
- Classifying screens
- Jigging circuit, consisting of coarse, intermediate and fine jig circuits
- Spiral separation, consisting of rougher and scavenger spirals
- Table separation, consisting of rougher and cleaner tables
- Two belt filters, to filter fine native copper product from spirals and tables
- Five thickeners (gravity, copper concentrate, pyrite (cobalt) concentrate, magnetite concentrate and tailings thickeners)
- Ball mill and cyclones
- Copper flotation, consisting of roughing, regrinding, cleaning, scavenging and re-cleaning
- Pyrite (cobalt) flotation, consisting of roughing, cleaning and re-cleaning
- Magnetic separation, consisting of roughing, regrinding, cleaning



Fixed Crushing Plant Flowsheet



Process Plant Flowsheet

1.6 PROJECT INFRASTRUCTURE

Development of the infrastructure required to support the project has been ongoing since first earthworks started in the first quarter of 2012 and is well developed in terms of project readiness.

The key elements are:

- Access and haul roads – complete
- Fuel storage and distribution – 95 % complete
- Explosive blending and storage infrastructure - complete
- Earthworks for Morris Creek Diversion – 95% complete.
- Bore field development for dewatering of mining areas and to supply additional water for processing and source of potable water – 90% complete.
- Earthworks for water containment to manage high wet season flows and provide water for processing – 90% complete.
- On-site roadworks - complete.
- Initial power generation and distribution – 90% complete.
- Tailings Storage Facility (TSF) and ancillary feed piping and return water piping – 90% complete.
- Buildings for offices, maintenance facilities, security, HSE and warehousing – 70% complete.
- Waste water and waste treatment facilities – complete

CuDeco owns, or leases, and has already established all necessary office facilities in Southport, Cloncurry and on site at Rocklands.

This includes:

- Head Office (Southport, Qld)
- Regional Office (Cloncurry, Qld)
- Operations Office facilities (Rocklands Project Site)
    - Mining and Administration Office
    - Processing Office and Control Room
    - Mobile Maintenance Office

The Rocklands Site Facilities include crib rooms, ablution blocks, training facilities, workshops and storage areas.

1.6.1 Accommodation

CuDeco owns or leases a portfolio of properties in Cloncurry to supply accommodation to employees. These range from camp style self-contained villages to units and houses.

1.6.2 Maintenance Facilities

CuDeco has a maintenance workshop for light vehicles and light trucks. Heavy Vehicle maintenance is currently carried out in a temporary unpowered igloo facility. A permanent HV maintenance facility is under construction, the concrete pad is laid, sea containers are being converted into storage and working areas. A roof will be installed that provides working space for 100 tonne dump trucks and other heavy machines.

A maintenance workshop for fixed plant mechanical, electrical and boiler making maintenance of similar design to that for the mobile machinery is currently under construction with concrete laid and fabrication of roof structures underway.

1.6.3 Explosives Infrastructure and Magazines

CuDeco has facilities and licensing in place to store all IE and HE required for the life of the project. Magazine capacity is 40000 detonators and 20 tonnes of IE accessories and storage for up to 280 tonnes of HE.

1.6.4 Raw Water Supply and Storage

With CuDeco's efficient road design and dust suppressant regime, the dewatering bores have always produced excess amounts of water, which is then sent to alternative water storage areas such as the WSF (Water Storage Facility). Currently CuDeco have 5 such dewatering bores in use, which not only have successfully kept water out of the Las Minerale Pit and Southern Rocklands Extended (SRE) Pit, but also supply raw water for the process.

CuDeco have also completed the necessary in-town infrastructure that will supply Rocklands site with back up water. The completed infrastructure comprises of two pumping stations and 10 km of large diameter pipeline that is capable of supplying an addition 2 ML a day, which is equivalent to 23 L/s.

The principal water storage facility for the Rocklands project is the Water Storage Facility (WSF) which is located approximately 1.9 km to the north west of the processing plant and which comprises a small cross valley embankment which has a maximum height of approximately 8 m.

Water diverted around the mining areas will flow through the Water Harvesting Facility (WHF) with at least 25% of the flows allowed to continue downstream. This facility will be unlined as it is only a short term holding cell.

Adjacent to the processing plant are several process water ponds which will store tailings thickener overflow water, return water from the tailings storage facility, make-up water from the WSF and pumped flows from the ROM pad pond and other minor water sumps in around the crushing plant.

Small turkey nest ponds are positioned at various locations around the site to provide dust suppression and to supply alternate firefighting water sources.

1.6.5 Potable Water Supply, Treatment and Dispersal

The potable water requirement for the Project is 3.6 KL/day. Potable water is currently being processed on site with a fully functional Reverse Osmosis (RO) unit, which is fed from a dewatering bore that was analysed as being potable in nature. This RO unit is capable of producing 20 KL/day and is more than adequate to supplying the project with all its potable water requirements.

1.6.6 Power Supply

CuDeco generates its own electrical power. In the mine, offices, and crusher areas stand-alone diesel generators are used. As the Processing Plant requires significantly more electrical power a dedicated diesel power station has been constructed for the plant.

The diesel power station was designed and constructed by Cummins Power Generation and comprises 16 x 2250 kVA Cummins diesel generator sets. The station's minimum continuous output power capacity is approximately 18.8MW. This rating reduction is due to technical, environmental, and warrantee requirements that result in only 14 of the 16 generators guaranteed to be available to run at any given time. The overall operating power demand of the Processing Plant is estimated at 13MW during normal operation, up to 18.8MW spinning reserve required on staged start-up of the plant.

The operation has approval under its license to include alternative power supply through solar and grid power that will reduce the onsite power generation to approximately 5% of Rocklands total power

requirement within a few years of commissioning the process plant. This reduces the overall power costs for the project and has been included for the life of mine (LOM) power operating costs.

1.6.7 Tailings Storage and Management

The Tailings Storage Facility (TSF) for the Rocklands Copper Project comprises a "turkey's nest" type storage comprising 2 cells that occupy an approximate area of 141 ha. The topography in the vicinity of the TSF incorporates a ridgeline with significant granite outcroppings to the north of the TSF footprint and low rounded hills within the southern confines of the TSF footprint. The TSF was constructed to the north east of the processing area.

Initially, tailings slurry will be discharged in a single point on the southern side of the TSF, allowing it to gradually drain across to the northern side, and eventually accumulating in the low point of the TSF. This provides time for the solids to settle out, before reaching the low point, from which water will initially be recovered. In the early stages, water will be pumped directly from this low point in the TSF to the process plant. This method will continue until the TSF level is sufficient to start filtering in to the TSF decant pond (eastern side of TSF).

The second phase will see tailings being discharged into the facility by sub-aerial deposition methods, using banks of spigots at regularly spaced intervals around the circumference of the TSF. Water will be recovered from the TSF decant pond and pumped to the return water pond, located on the western side of the facility. Water will then be pumped from the return water pond to the process plant.

1.7 ENVIRONMENTAL

1.7.1 Plan of Operations

A standard condition of an EA approval requires the preparation of a plan of operations. A plan of operations sets out how the EA conditions (including rehabilitation requirements) will be met. The specific requirements for a plan of operations are set out in the EP Act. Refer to Table 3 CuDeco Plan of Operations.

1.7.2 Environment licencing

CuDeco have held and maintained an Environmental Authority (licence) since October 2011. Since then there have been six amendments to the licence to reflect changes in site design and monitoring requirements; as more site specific information becomes available. CuDeco is currently licenced under EMPL00887913, which was approved 19th November 2014. CuDeco are currently preparing for the next EA amendment lodgement through the Department of Environment and Heritage Protection prior to May 2017.

An independent third party Environmental Authority audit is undertaken under conditions A27-30 of the current licence on an annual basis. This audit is to assess CuDeco's performance against licence conditions. Independent auditors Synnot and Wilkinson have completed all EA auditing since 2013.

1.7.3 Environmental Approvals –Rocklands

The Environmental approval process as required by the State of Queensland has been completed by CuDeco and has continually maintained its licencing requirements as shown below.

CuDeco's Environmental approval history and amendments

Environmental Authority (EA) Date	Amendment approval dates
October 2011	Draft EA
October 2011	Final EA issued 31/10/2011
October 2012	Renewed EA issued 12/10/2012
February 2013	Renewed EA issued 15/02/2013
May 2013	Application submitted 19/06/2013 Application withdrawn by CuDeco 19/07/2013
August 2013	Amended EA approved 29/08/2013 Changes to Schedule C-Land and Rehabilitation • Biodiversity offsets • TSF
December 2014 (current EA)	Amended EA approved 19/12/2014 Changes to : Schedule B-Air • Ambient air quality • Meteorological monitoring • Inclusion of Copper • Inclusion of continuous solar air quality monitoring method Schedule D-Regulated dams • Classifications of regulated dams reviewed Schedule E-Waste • Extension to East waste rock dump Schedule F-Noise • Noise limits and monitoring frequency • Air blast and ground vibration monitoring requirements Schedule G-Water • Add in new bores • Amendments to trigger and contaminant limits
December 2015	CuDeco is currently preparing a new EA amendment for lodgement prior to May 2017. This amendment is to assist CuDeco to further develop site specific environmental monitoring objectives and approval for additional waste-rock volumes. An updated Plan of Operations shall be completed following the approval of this EA amendment.

CuDeco Plan of Operations

Document Number	Title	Date	Author
CDU-ENV-PLN-0002	Plan of Operations March 2012-December 2012	29/03/2012	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2013 – June 2013	29/04/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations July 2013 –December 2013	19/06/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations September 2013 –December 2014	20/09/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations October 2014 – November 2015	30/10/2014	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2015 – December 2015	19/01/2015	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations December 2015 – May 2017	20/11/2015	CuDeco Ltd

CuDeco's current Environmental Authority to operate granted through the Queensland Department for Environment and Heritage Protection (EHP) will continue to be implemented throughout the planned life of the operation. This licence is renewed annually through the official EHP annual return notification procedure.

It is envisaged that CuDeco may apply for amendments to the Environmental Licence during the operational life of the project; this will be to update and better develop and manage site specific data trigger levels and contaminant limits. Following each approved EA amendment a new Plan of Operations shall also be lodged for review with EHP for approval before on ground works begin.

This method of approval should not affect ongoing site infrastructure development and operation as outlined in the Feasibility Study announced by the Company on 3 March 2016.

1.8 FINANCIAL

CuDeco key economic parameters are summarised in the table and figures below.

CuDeco Key Economic Parameters

Parameter	Unit	Value
Average LOM Mill feed	Mtpa	2.74
Average LOM Head Grade	Cu eq %*	0.90
Average LOM head Grade	Cu %	0.71
Average LOM Production	Cu eq tpa	25,319
Average LOM Production	Cu tpa	18,347
Mine Life	Years	10**
C1 LOM Cash Costs Cu eq	A$/lb of CuEq	1.13
Initial Capital Invested	A$M	637.4
LOM Sustaining Capital	A$M	42.2

** - 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*

1.8.1 Capital costs

The total estimated capital costs are capital costs to achieve commercial production, including practical construction completion, commissioning and an allowance for working capital to reach surplus cash flow.

CuDeco Project Costs estimate for the Project ($000s)

Cost Category	AUD ($000's)	AUD ($000's)	AUD ($000's)
Project Pre- Development Costs (Including Exploration up to granting of Mining Leases – May 2012)			**83,764**
Capital Costs of Project Construction (from Granting of the Mining Leases to December 2015):			
Process Plant		276,901	
Land & Buildings		16,962	
Other Plant & Equipment and Mining Assets		46,268	
Mine Development Expenditure			
Overburden removed	62,628		
Cost of Ore Stockpiles	17,590		
Environmental rehabilitation provision	6,246		
Corella Park and Burke Roads construction	3,116		
Tails Dam	5,234		
Costs of Infrastructure assets	54,960		
Total Mine Development Expenditure		149,774	
Total Project Capital Costs to December 2015			**489,905**
Estimated Capital and Operating Costs to surplus cash flow			63,726
Total Estimated Costs (from Commencement of Exploration to Completion of Project)			**637,396**

Life of Mine (LOM) Capital Costs is estimated as follows:

CuDeco Life of Mine Capital Costs estimate for the Project ($000s)

Life of Mine Capital	AUD ($000's)
Capital costs to date	573,670
Capital and Operating Costs to Surplus Cash Flow	63,726
Sustaining Costs	42,227
	679,623

1.8.2 Sustaining Capital

Sustaining costs for capital replacement of Processing and Mining infrastructure have been allowed for in the Project at $0.12/t mined and $0.82/t milled and are shown below. Sustaining capital allows for tails dam lift, second tails dam pond, grid connection, mobile equipment minor rehabilitation (road ripping and seeding), mining equipment replacement and other minor capital purchases. Mine closure costs have not been included in the 10 year mine life plan as CuDeco intend on extending the life of the mine with the current resources.

1.8.3 Working Capital

Included in the costs to surplus cash flow is an allowance for the working capital required by the Company up until the Plant is operational and generating sufficient revenue for the operations to be cash flow positive. Working capital includes all mining, processing, commercial and asset development costs expected to be incurred from January 2016 through to the end of June 2016.

1.8.4 Operating cost

LOM operating costs are shown below. Transport costs and refining costs (TC/RC) are for Copper, Native Copper, Pyrite, Gold, Silver and Magnetite. Transportation is for all products from Rocklands Project to Townville Wharf and is based on the Townsville Bulk Storage and Handling (TBSH) contract.

Life of Mine Operating Costs ($000s

Cost Category	Unit Cost ($/t mined)	Unit Cost ($/t milled)
Mining		
Grade Control and Assay	$0.15	$0.76
Mining Overheads/Administration (inc Survey)	$0.47	$2.41
Maintenance	$0.70	$3.58
Dig and Load	$0.27	$1.40
Stockpile to ROM	$0.04	$0.20
Drill and Blast	$0.70	$3.57
Haulage	$0.74	$3.80
Total Mining	**$3.06**	**$15.72**
Processing		
Power		$6.28
Op Labour		$3.25
Maintenance (Capital replacement)		$0.78
Maint Labour		$0.86
Consumables		$2.04
Lab Assays		$0.11
Total Processing		**$13.30**
Subtotal		**$29.02**
General & Administration		$2.40
Transportation		$4.19
Royalties		$2.89
TC/RC		$8.36
Contingency		$0.00
Subtotal		**$17.83**
Total Operating Costs		**$46.85**

1.9 PROJECT IMPLEMENTATION AND SCHEDULE

The status of the Rocklands Project (the Project) at the time of developing the Feasibility Study (FS) is considered to be at an advanced stage.

- Environmental licenses to operate are in place for all activities.
- Site infrastructure has been developed to provide site access roads and on-site roads, creek diversions, water supply and storage, and tailings storage.
- Mine site buildings are in place or in final stages of construction.
- Housing has been obtained in Cloncurry to provide accommodation assistance for resident employees.
- Initial operating power generating capability is 90% complete (smaller generator sets are in use to provide power for current activities).

- Site services, such as sewage treatment, water treatment, and communications and IT are in place.
- Mine plans have been developed, the Stage 1 pit for Las Minerale completed, and Rocklands South pit in development. A total of 13.8Mt waste and ore has been extracted from the production pits.
- Approximately 2.2Mt of ore of various categories (type and grade) has been stockpiled. Some 1.6Mt of this is planned for processing in the first stages of the project.
- Structural, Mechanical and Piping installation of the Process Plant is largely complete with some enhancements (cone crusher, reclaim feeder) being undertaken, and Electrical and Instrumentation installation well advanced.
- Key personnel have been recruited and total CuDeco workforce is approximately 40-50% of operations establishment.
- Preliminary processing trials have been conducted to produce native copper concentrate for market evaluation and trial processing of on-site melting and casting.
- A 22 kt parcel of primary sulphide copper ore was toll treated at the Ernest Henry mine with satisfactory results confirming performance predictions for this material.

CuDeco oversaw the development of the project using a senior management team who will be responsible for management of an EPC Contractor and completion of scope items that remain outside the EPC contractor's responsibilities.

CuDeco was responsible for the following scope areas:

- Selection and purchase of Rocklands' mobile equipment;
- Mine development and pre strip;
- Project Infrastructure such as water management, waste management, buildings/workshops, power supply, tailings storage facility (TSF);
- Construction of the process plant earthing grid and the process plant civil works;
- Establishment of an accommodation facility in Cloncurry and housing for senior personnel in Cloncurry;
- Government approvals and licencing;
- Landowner agreements;
- Exploration and tenement holding costs;
- Establishment of operational stores and maintenance systems;
- Establishment of operational HSE systems and procedures;

CuDeco made the decision to adopt an "Own and Operate" strategy from the start of the Project. The company owns its entire fleet of Excavators, Dozers, Dump Trucks and ancillary equipment. This philosophy has also allowed the company to undertake the majority of the civil construction works required for the project (Water Storage Facility, Morris Creek Diversion, ROM Pad, Process Plant Pad, Haul Roads, TSF) reducing the need to engage contractors.

CuDeco are currently assessing vendor bids for the future mining fleet options of owner-operator, lease operator or contract mining.

Included in Mine Plant and Development (MP&D) Expenditure of $238 million, including capital costs to surplus cash flow (covers the majority of CuDeco scope) are:

1. **CuDeco Projects Undertaken and completed were:**

- Construction of the main Haul Road;
- Corridor haul and service road to the Tails Storage Facility;
- Main Access road;
- Construction of the Morris Creek diversion and dam;
- Construction the Run of Mine (ROM) ore storage Pad;
- Preparation of the Waste-rock dump areas;
- Construction of the Water Storage Facility (WSF);
- Construction of the Tailings Storage Facility (TSF) Return water pipe corridor;
- Construction of the Process Water, Raw Water and Environmental Control ponds at the Process Plant;
- Construction of water transfer dams;
- Installation of dewatering and water supply bores, and
- Installation of potable water and wastewater treatment services.

2. Infrastructure works undertaken under contract and supervised by CuDeco were:

- Vegetation and Topsoil removal from;
- Las Minerale Pit;
- Southern Rocklands Pit;
- Southern Rocklands Extended Pit;
- Process Plant Pad; and
- Construction of the Tailings Storage Facility;

3. Finance Cost:

- Capitalised interest on Borrowings; and
- Capitalised Borrowing Costs

Administration costs for Southport and Hong Kong Offices and Non-Executive/Executive Directors have not been capitalised to MP&D.

Included in the estimated cost of the processing plant of $301 million, including capital costs to surplus cash flow, is the Sinosteel EPCM contract, of which, apart from some estimated variations, only the electrical installation work needs to be completed. Other external contractors completed the Primary Crusher, Tails Storage Facilities and miscellaneous minor projects around the processing plant. The Heavy Vehicle Workshop in is being constructed in-house by CuDeco employees.

The EPC contractor, Sinosteel was responsible for the majority of the scope associated with the process plant and associated infrastructure design, procurement, freighting, installation and commissioning including establishment of the construction site. Sinosteel engaged NERIN as the engineering house to complete all the basic and detailed design of the process plant. CuDeco has entered into a number of contracts with Sinosteel Equipment and Engineering Co. Ltd in relation to various phases of construction of the production plant and a memorandum of understanding in relation to electrical installation for the plant. Once construction of the production plant has been completed and electrical wiring has been installed, it is not anticipated that any significant subcontracting arrangements will be required to proceed to commercial production, as staff will perform all mining and processing functions.

The individual contracts awarded to Sinosteel were as follows:

- Basic Design Services Contract;
- Contract for Detail Design and Equipment Supply (Including DCS);

- Contract of Steel Structure Supply and Supplemental Contract to Steel Structure Supply;
- Contract for Supply of Piping;
- Contract of Structure Mechanical and Piping Installation;
- Construct Contract for Processing Plant Electrical Installation, and
- Engineer Procure and Construct Turnkey Contract for Power Station.

As of December 2015 the major remaining scope for Sinosteel is as follows:

- Electrical and Instrumentation Installation – Sinosteel have engaged Walz construction as the major subcontractor to install in conjunction with JLE whilst Sinosteel will be contracted to provide overall construction management;
- Commissioning – Sinosteel to carry out all punch listing, dry and wet commissioning and being granted practical completion, ore will be introduced to the plant under the management of CuDeco. Sinosteel will, under contract to CuDeco assign a commissioning assistance and modification team to assist CuDeco with initial plant ore commissioning.

Project Schedule

The project schedule has been severely affected by funding and at the time of writing is still affected. The initial basic design began in 2010 with NERIN under the management of Sinosteel and by December 2015 the project is some 90 % complete. It is estimated that commissioning of the process plant will occur in early 2016 following practical construction completion of the electrical installation.

Operations and Workforce

It is planned that the manning levels for both Mining and Processing Departments will consist of 3 shift production crews with the addition of technical and operational staff. The planned manning levels include provisions for annual leave, unplanned leave and training coverage. Manning levels for other departments will be determined by the anticipated production targets and may increase or decrease dependent on operational requirements. Manning levels for the project operations are expected to be as follows:

Manning Levels

Operational areas	Number of employees
Corporate, Commercial, Admin and Services	47
Mining, Exploration, including maintenance	87
Processing including maintenance	95
Total CuDeco employees	229
Total Contractors	10

1.10 RISK ANALYSIS

The minerals industry has by its nature a high level of risk. The many and various risks accumulate and can affect each other. Variations in the type of mineralisation, distribution of grade and mineralogy can never be fully predicted or estimated.

Risk has been classified from major to minor as follows:

Major Risk: the factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the project cash flow and performance and could potentially lead to project failure.

Moderate Risk: the factor, if uncorrected, could have a significant effect (10% to 15%) on the project cash flow and performance unless mitigated by some corrective action.

Minor Risk: the factor, if uncorrected, will have little or no effect (<10%) on project cash flow and performance.

The likelihood of a risk event occurring within a nominal 7 year time frame has been considered as:

Likely: will probably occur

Possible: may occur

Unlikely: unlikely to occur

The degree or consequence of a risk and its likelihood are combined into an overall risk assessment, as shown below.

Risk Assessment Guidelines

Likelihood of Risk (within 7 years)	Consequence of Risk		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

A summary and assessment of the main risks for the project is shown in below;

Risk Assessment Table

Risk Issue	Likelihood	Consequence	Risk	Comment and Mitigation
Geology and Resource				
Geology: Ore Body Interpretation	Unlikely	Moderate	Low	Reconciliation with Trial Mining grade control
Lack of understanding of Geological Controls	Unlikely	Moderate	Low	Geological mapping during Trial Mining
Incorrect Resource estimate methodology distorts the grade tonnage curve	Unlikely	Moderate	Low	Use of multiple methods, Reconciliation with Trial Mining grade control
Resource Confidence	Unlikely	Moderate	Low	Reconciliation with Trial Mining grade control
Mining and Reserve				
Open pit wall failure	Unlikely	Moderate	Low	Slope Monitoring Systems in place and updated Geotech learning from the 14 Mt already mined. Mitigated by maintaining pit to design specifications
Higher Mining Costs	Possible	Minor	Low	Cost controls, option to go to full contract mining
Environmental Impact and Management				
Tailing storage facility	Unlikely	Minor	Low	Overflow catchment in place, expansion included in design
Heritage and Cultural				
Heritage sites damaged or destroyed.	Unlikely	Minor	Low	Mitigated by the completion of heritage surveys, native title agreement and cultural training and operational procedures
Process Design, Plant Design, and Operation				
Process Design	Possible	Minor	Low	Scale-up risk; mitigated by flexible plant design and utilisation of high efficiency equipment types (HPGR, Jigs, Spirals, Tables).
Detailed Plant Design and Engineering	Possible	Moderate	Medium	Particularly for gravity recovery sections; mitigated by sufficient funds to complete with deployment of on-site rectification team.
Funds to complete plant construction and commissioning	Possible	Moderate	Medium	Project is at advanced stage enabling development of tight control budget to achieve practical completion. Commissioning risk mitigated by establishment of an Owner's dedicated commissioning team to plan, organise, direct and control construction completion, start up and commissioning trials to commercial production status.
Operational Targets not met, plant does not meet design capacity	Possible	Moderate	Medium	Individual vendor technical specialists will visit site during the wet commissioning phase and commission their supplied equipment to the satisfaction of site personnel. Allowance for rectification and modification work to meet design capacity.
Multiple products increases plant complexity	Possible	Minor	Low	Each product contains minor amounts of the others. To achieve optimum financial returns, good operational monitoring (metallurgical accounting) and control is required.

Risk Issue	Likelihood	Consequence	Risk	Comment and Mitigation
Material different to design	Unlikely	Moderate	Low	The process plant as constructed has considerable contingency in most sections to allow for a range of feed conditions. A trial parcel of ore successfully treated at EHM. Separate stockpiling of ore types provides alternate treatment scenarios.
Lower than target plant availability	Possible	Minor	Low	The size and complexity of the processing plant will present challenges. Mitigated by efficient maintenance planning procedures and effective coordination with production, allowing sections to be bypassed when processing different ore-types.
Low plant utilisation and unstable operation	Possible	Minor	Low	Due to complexity of processing plant. Mitigated by recruitment of high quality personnel and development of training procedures.
Infrastructure				
Delays in alternative power	Possible	Minor	Low	Look to progress these discussion well in advance of requirements.
Implementation and Commissioning				
Project costs and schedule delays to the final process plant completion.	Possible	Moderate	Medium	Commissioning of plant takes longer than expected due to complexity of circuit and rectification works. Mitigate by good project control systems and management to define the scope well and resource the execution appropriately with a dedicated experienced team.
Delay to commissioning and production ramp up to design capacity	Likely	Minor	Medium	Mitigate by detailed mill production scheduling during this phase and resource the commissioning and production ramp up phase with appropriate skilled personnel and numbers of personnel. Maintain the EPC contractor and potential additional contractors on site for modifications during the commissioning phase.
Management and Operations				
Inadequate systems and procedures.	Unlikely	Minor	Low	Early development of adequate systems and procedures which is currently underway.
Difficulty in securing and retaining appropriately skilled employees and contract providers.	Unlikely	Moderate	Low	Mitigated by early recruitment of key people, the provision of an attractive and comfortable environment in Cloncurry, attractive conditions of employment and training and advancement opportunities. Current downturn in the commodities market is making skilled staff available.
Concentrate transport interruption.	Unlikely	Minor	Low	adequate indoor bulk concentrate storage available at site, half height container storage available and the option to transport by rail as well as road
Government and Taxation				
Change in taxes	Unlikely	Moderate	Low	Low sovereign risk. Mitigated by a review of project cost sensitivities to understand possible impacts
Licensing and Permitting	Unlikely	Moderate	Low	All licences in place.

Risk Issue	Likelihood	Consequence	Risk	Comment and Mitigation
Marketing				
Sales terms alter significantly or unable to sell due to product not meeting specification	Possible	Moderate	Medium	Mitigated by including commercial standard trading terms, having multiple end users for product sales and good metallurgical accounting and commercial procedures
Unable to sell all of the magnetite production	Possible	Minor	Low	The annual production exceeds the annual supply in the local coal market. Mitigate by adjusting the operation through LOM and other market opportunity for sales
Financial and Economic				
Forecast metal production lower	Possible	Moderate	Medium	Mitigated by higher grades in early years, long life of the project to even out commodity price cycles, review of project cost sensitivities to understand possible impacts, cushioning impact of the AUD
Operating Costs Underestimated	Possible	Moderate	Medium	Underestimating the cost of mining, mill rectification, maintenance and labour required to operate at full capacity
Capital Cost Increase	Unlikely	Moderate	Low	Most of plant is constructed only E and I remaining, percent of total is less than 10 %.Mining is expected to go to some form of contracting which reduces the need for replacing existing mining equipment.
Inadequate allowance of working capital before positive cash flow	Likely	Moderate	High	May have insufficient funds to positive cash flow and for provision of additional funds to the Queensland government for Financial Assurance and thus need to raise further funds. Complete a detailed forecast and budget to take into account the commissioning and ramp up issues, commission on copper and cobalt flotation only.
Product Price	Possible	Minor	Low	Offtake Agreements currently in place. Hedging to consider, cushioning impact of the AUD

1.11 JORC TABLE 1

1.11.1 JORC Table 1 - Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

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*	▪ The resource estimate is based on drill samples only, no surface samples were used. ▪ Representative 1 metre samples were taken from ¼ (NQ, HQ) or ½ (NQ, BQ) diamond core. Reverse circulation (RC) and rotary air blast (RAB) drilling was used to obtain 1 m and 3 m samples respectively, from which 3 kg was used for sample analysis. ▪ RAB samples were deemed to be unrepresentative and prone to bias and were not used for resource estimation purposes. ▪ Only assay result results from recognised, independent assay laboratories were used for Resource estimation after QAQC was verified.

Criteria	JORC Code explanation	Commentary
	disclosure of detailed information.	
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.).*	▪ Diamond (DD) of NQ, PQ, HQ and BQ diameters with standard and triple tube sample recovery and reverse circulation (RC) with "through the bit" sample recovery data were used for geological interpretation and resource estimation. ▪ Where high rates of water inflow were encountered, or for drill holes exceeding depth limits of RC drilling, DD tails were added to complete drilling. ▪ Current practice is to use DD only in mineralised zones.
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.*	▪ DD core recovery averaged 98% overall and exceeded 80% in 96% of the meters drilled in the mineralised zone. ▪ RC recovery was recorded as bag size estimate and bag weight for all samples ▪ RC - In most cases when chip recovery was poor and sample became wet the hole was stopped and a diamond tail was added. ▪ DD - Analysis of recovery results vs grade indicates no significant trend occurs indicating bias of grades due to diminished recovery and / or wetness of samples. ▪ RC - Loss of native copper in the weathered portion of the mineralised zones at Las Minerale and Rocklands South was identified and could result in an underestimation of the copper grade when using RC drill data, in certain circumstances. In areas where native copper is prevalent, core samples were given preference for use in estimation.
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. ▪ Early (2006 to mid-2008) rock chip and core samples were logged on paper and data entry completed by a 3rd Party Contractor and Database administrator in 2008. ▪ Since 2008, rock chip and core samples were logged on site directly into Microsoft Excel field data capture templates with self-validating drop down field lists. ▪ Drill core was photographed after being logged by the geologist. ▪ Drill core not used for bulk metallurgical testing and RC drill chips are stored at the Rocklands site.

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.*	▪ All DD core was orientated along the bottom of hole, where possible. A cut line was drawn 1 cm to the right of the core orientation line. ▪ Core was cut with a diamond saw, ½ core was used for NQ and BQ analysis, ¼ core was used for HQ and PQ analysis to standardise the sample size per meter. ▪ RC samples were split using a riffle splitter attached to the cyclone on the drill rig. ▪ Sample intervals in DD and RC were 1 m down-hole in length unless the last portion of DD hole was part of a metre. SGS Minerals Townsville Sample Preparation: ▪ All samples were dried. Drill core was placed through jaw crusher and crushed to approx. 8mm. RC chips and core were split if necessary to a sample of less than approximately 3.5kg. ▪ Native copper samples were prepared by 2 methods. Grain size of native copper determined which method was used. ▪ Samples where native copper grain size was less than 2mm were disc ground to approximately 180µm. 500g was split and lightly pulverised for 30 seconds to approximately 100µm. ▪ Samples where native copper grain size was greater than 2mm were put through a roller crusher to approximately 3mm. Samples were sieved at 2mm with copper greater than 2mm hand picked out of sample. Material less than 2mm and residue above 2mm was disc ground to approximately 180µm. 500g was split from the sample and lightly pulverised for 30 seconds to approximately 100µm. ▪ All other sampled material not containing native copper was pulverised to a nominal 90% passing 75µm. AMDEL Bureau Veritas Mt Isa Sample Preparation ▪ After receiving, checking and sorting samples were dried at 103°C for 6 hours. ▪ Core samples were put through a jaw Crusher and crushed to approximately -10mm. Sample was split if sample weight over 3kg. ▪ Rock chip samples weighing over 3kg were crushed with the use of a Boyde crusher and split with 3kg of material retained. ▪ Samples were pulverised for 5 minutes in an LMS until 90% passed through -106µm. Sample was split with the remaining pulp put in storage.
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,*	▪ Prior to May 2011, Cu and Co grades were determined predominately by 3 acid digest with either a ICP-AES (Inductively-Coupled Plasma Atomic Emission Spectrometer) or AAS (Atomic absorption Spectrometer) determination (SGS methods, ICP22D, ICP40Q, AAS22D AAS23Q, AAS40G). Post May 2011, Cu and Co grades were determined predominantly by 2 acid digest by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometer) determination at AMDEL Mt Isa laboratory. ▪ Prior to May 2011, Au grades were determined by 50g Fire Assay (at SGS Townsville method FAA505). Post May 2011, Au grades were determined by 40g Fire Assay (at AMDEL Adelaide and Mt Isa method FA1). ▪ Prior to May 2011, calcium and sulphur grades were determined by ICP – AES, post May 2011, sulphur grades were determined by aqua regia digest by ICP-OES. ▪ Magnetite grades were determined by measurements of magnetic susceptibility taken on samples, which were compared to Davis Tube test results to determine a non-linear regression. It is recognised that a low susceptibility portion of the magnetite does exist, and hence magnetite grades may be underestimated in certain locations, but no correction has been found reliable at this time. Additional clarification should be available after results of the current bulk-sample programme have been analysed. ▪ All analyses were carried out at internationally recognised, independent assay laboratories SGS, ALS, Genalysis, and Amdel Bureau Veritas. ▪ Quality assurance was provided by introduction of known certified standards, blanks and duplicate samples on a routine basis.

Criteria	JORC Code explanation	Commentary
	external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ 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. Using results from an extensive re-assaying programme to define a regression formula, AAS Co assays were corrected to an equivalent ICP grade for estimation purposes. This correction factor affected 39% of samples in mineralised zones. ▪ 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, apart from a period of systematic laboratory error, where standards are suspected to have been only partially digested. In-house cobalt only standards are more variable in results than those of Ore Research copper and gold, which is attributed to the in-house origin. These were later replaced by the copper-cobalt-gold standards certified by Ore Research Pty Ltd. ▪ Re-assay programmes of sample intervals analysed prior to QAQC implementation, and those of the systematic laboratory error period have shown correlations between re-assay and original results to be chiefly within the realm of analytical error, and as such, acceptable. ▪ Field duplicates collected in three retrospective programmes were affected by weathering and cementing of samples, making assay comparison difficult. Recent duplicate samples, split and despatched with the originating drill hole, show good correlation within paired copper and cobalt results, although gold results are variable, which is attributed to coarse (>75µm) gold mineralisation. Core sample duplicates were attempted, but were considered by CuDeco to be of little use as a measure of assay repeatability, due to local variation in mineralisation. ▪ QAQC monitoring is an active and ongoing process on batch by batch basis by which unacceptable results are re-assayed as soon as practicable. ▪ An issue was found with early AAS sample grades for cobalt and a large number of these samples have been re-assayed for Co via ICP methods. Enough data exists to define a close correlation between ICP and AAS results such that the remaining AAS assays were corrected using a linear regression formula (Co_ppm_ICP = 1.0764 * Co_ppm_AAS + 16.51). This affects approximately 39% of Co analyses in mineralised zones. ▪ A limited check assay program carried out in 2007 on 497 samples suggested that Cu may be understated by approximately 5%. ▪ DTR analysis (Davis tube recovery), which indicates magnetite content, has been carried out on 538 samples. Non-linear correlations with magnetic susceptibility readings on pulp samples, core and RC chips were defined and have been used to derive calculated magnetite contents for estimation purposes. An extensive program of magnetic susceptibility and DTR measurements on pulp samples is currently underway, which is expected to further refine calculated magnetite content.
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.*	▪ An umpire assay programme of 528 mineralised samples from 173 drill holes was completed by ALS Laboratories in 2007 ▪ Results between twinned RC and diamond holes are in approximate agreement, when taken into consideration with the natural variation associated with breccia-hosted ore bodies, identified coarse mineralisation, and subsequent weathering overprinting. ▪ All assay data QAQC is checked prior to loading into the CuDeco Explorer 3 data base. ▪ The CuDeco Explorer 3 data base was originally developed and managed by consulting geologists, Terra Search Pty Ltd, and was subsequently handed over to CuDeco Ltd in mid-2009. The data base and geological interpretation is collectively managed by the CuDeco Resource Committee, and relayed to the Resource Consultants by the nominated member of this committee, Exploration Adviser Mr David Wilson.

Criteria	JORC Code explanation	Commentary
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 at Rocklands have been surveyed with a differential global positioning system (DGPS) to within 10 cm accuracy and recorded in the CuDeco Explorer 3 database. ▪ All drill holes, apart from vertical, have had down hole magnetic surveys at intervals not greater than 50 m and where magnetite will not affect the survey. Surveys where magnetite is suspected to have influenced results have been removed from the Database. ▪ Where surveys are dubious the hole was resurveyed, where possible, via open hole in non-magnetic material.
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 nominal local grid north-south sections, commencing at 100 m spacing and then closing to 50 m and 25 m for resource estimation. Local drilling in complex near-surface areas is further closed in to 12.5m ▪ Vertical spacing of intercepts on the mineralised zones similarly commences at 100 m spacing and then closing to 50m and 25m for resource estimation, again some closer spacing is used in complex areas. ▪ Drilling has predominantly occurred with angled holes approximately 55° to 60° inclination below the horizontal and either drilling to the local grid north or south, depending on the dip of the target mineralised zone. ▪ Holes have been drilled to 600 m vertical depth ▪ Drilling is currently focused on the known mineralised zones of Las Minerale and Las Minerale East; Rocklands South and South Extension; Rocklands Central and Le Meridian; Rainden, Solsbury Hill and Fairfield. ▪ Data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and has been taken into account in 3D space when determining the classifications to be applied. ▪ Samples were composited to 2m down-hole for resource estimation in the known wireframe constrained mineralised zones and 10m down-hole in the general lithology zone (Inferred only).
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 local grid north-south section lines along the strike of the known mineralised zones and from either the north or the south depending on the dip ▪ Vertical to south dipping ore bodies at Las Minerale, Rocklands South Extended, Rainden and Solsbury Hill, were predominantly drilled to the north whilst vertical to north dipping ore bodies at Las Minerale East, Rocklands South, Rocklands Central and Le Meridian were predominantly drilled to the south. Fairfield strikes northeast to the local grid and is vertically dipping, most drill holes intersect at a low-moderate angle. ▪ Scissor drilling, (drilling from both north and south), as well as vertical drilling, has been used in key mineralised zones at Las Minerale and Rocklands South to achieve unbiased sampling of possible structures, mineralised zones and weathering horizons. ▪ Horizontal layers of supergene enrichment occur at shallow depths in Las Minerale and Rocklands South and a vertical drill program was undertaken to address this layering and to provide bulk samples for metallurgical test work.

Criteria	JORC Code explanation	Commentary
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. External reviews and audits of sampling have been conducted by the following groups; ▪ 2007 – In July 2007, Snowden were engaged to conduct a review of drilling and sampling procedures at Rocklands, provide guidance on potential areas of improvement in data / sample management and geological logging procedures, and to ensure the Rocklands sampling and data record was appropriate for use in resource estimation. All recommendations were implemented. ▪ 2010 – In early 2010 Hellman & Schofield conducted a desktop review of the Rocklands database, as part of their due diligence for the resource estimate they completed in May 2010. Apart from limited logic and spot checks, the database was received on a "good faith" basis with responsibility for its accuracy taken by CuDeco. A number of issues were identified by H&S but these were largely addressed by CuDeco and H&S regarded unresolved issues at the time of resource estimation as unlikely to have a material impact on future estimates. ▪ 2010 - Mr Andrew Vigar of Mining Associates Limited visited the site in 12 to 15 October, 3 to 5 November and 8 to 10 December 2010 during the compilation of detailed review the drilling, sampling techniques, QAQC and previous resource estimates and 17 to 19 March 2011 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.

1.11.2 JORC Table 1 - Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
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 Rocklands Project is located within granted mining leases ML90177 and ML90188, and Infrastructure Lease ML90219. Landowner agreements formed part of the granting, and remain current for the duration of the mining leases. ▪ Native Title Ancillary agreements have been signed with the Mitakoodi & Mayi peoples and the Kalkadoon peoples, the local custodians of the areas covered by the mining leases. ▪ Mining Leases detailed above are granted for a period of 30 years; there is no known impediment to operating for this period of time. The Project operates under a Plan of Operations, the most recent of which was approved on 17th October, 2013.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	▪ Previous reports on the Double Oxide mine by CRA and others between 1987 and 1994 describe a wide shear zone containing a number of sub parallel mineralised zones with a cumulative length of 6 km.
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. Dominated by dilational brecciated shear zones containing coarse patchy to massive primary mineralisation, with high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper in oxide. 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 remains open at depth.

<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>

- Summary of drilling by type and year is given in the table below. Note that some DD holes are tails on the end of RC pre-collars, such that the number of DD collars is overstated. The total number of drill hole collars and all drilling metres are correct.

<table>
<tr><th>Drilling Type</th><th></th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>Total</th></tr>
<tr><td rowspan="2">RAB</td><td># holes</td><td>1514</td><td>499</td><td>1668</td><td>145</td><td>3826</td></tr>
<tr><td>metres</td><td>7820</td><td>2819</td><td>18741.5</td><td>2211</td><td>31591.5</td></tr>
<tr><td rowspan="2">DD</td><td># holes</td><td>239</td><td>111</td><td>235</td><td>28</td><td>613</td></tr>
<tr><td>metres</td><td>47286.04</td><td>17386.68</td><td>24749.41</td><td>7507.9</td><td>96930.03</td></tr>
<tr><td rowspan="2">RC</td><td># holes</td><td>1491</td><td>84</td><td>2</td><td></td><td>1577</td></tr>
<tr><td>metres</td><td>221263.1</td><td>9850.8</td><td>195.7</td><td></td><td>231309.6</td></tr>
<tr><td rowspan="2">Geotech DD</td><td># holes</td><td></td><td></td><td>8</td><td></td><td>8</td></tr>
<tr><td>metres</td><td></td><td></td><td>182.6</td><td></td><td>182.6</td></tr>
<tr><td rowspan="2">Open Hole</td><td># holes</td><td></td><td></td><td>1</td><td>6</td><td>7</td></tr>
<tr><td>metres</td><td></td><td></td><td>285</td><td>1394</td><td>1679</td></tr>
<tr><td rowspan="2">Total</td><td># holes</td><td>3109</td><td>684</td><td>1914</td><td>179</td><td>5886</td></tr>
<tr><td>metres</td><td>276369.14</td><td>30056.48</td><td>44154.21</td><td>11112.9</td><td>361692.73</td></tr>
</table>

</td></tr>
<tr><td>Data aggregation methods</td><td>

- *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*

</td><td>

- Intercepts from individual drilling programs have been reported by CuDeco in separate ASX announcements and are not repeated here.
- Informing Samples were composited to two metre lengths honouring the geological domains and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).
- Metal equivalents are not used in domaining, but are reported. The formulae used are as follows
- CuCoAu equivalent grades were based on metal prices and metallurgical recoveries provided by CuDeco and refer to recovered equivalents:
- Cu 95% recoveryUS$3.20 per Pound
- Co 90% recoveryUS$18.00 per Pound
- Au 75% recoveryUS$1200 per Ounce
- Magnetite 80% recovery US$140 per Tonne
- The recovered copper equivalent formula was:

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

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

</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	reporting of metal equivalent values should be clearly stated.	
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').*	▪ Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths. ▪ Exploration results have been reported by CuDeco in earlier statements to the ASX as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported. ▪ Resource estimation, as reported later, was done in 3D space.
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.*	▪ Tabulated intercepts for all drill holes is not considered applicable to a project with over 5000 drill holes and estimated resources. Results of individual drilling programmes with significant intercepts, maps and cross sections have been reported to the ASX by CuDeco at the time of drilling.
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.*	▪ Resources have been reported at a range of cut-off grades, above a minimum suitable for open pit mining.
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*	▪ Extensive work in these areas has been completed, and was reported by CuDeco in earlier statements to the ASX.

Criteria	JORC Code explanation	Commentary
	test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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.*	▪ Mineralisation is open at depth. Current estimates are restricted to those expected to be reasonable for open pit mining. Limited drilling below -250m RL) shows widths and grades potentially suitable for underground extraction. CuDeco are currently considering target sizes and exploration programs to test this potential to 1,000m from surface.

1.11.3 JORC Table 1 - Section 3 - Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	▪ The Rocklands database is a Microsoft Access based Explorer 3 database system. ▪ Data is logged directly into an Excel spreadsheet logging system with drop down field lists. ▪ Validation checks are written into the importing program in the Explorer 3 data base, an error is triggered if data is not in correct format and ensures all data is of high quality. ▪ Digital assay data is obtained from the Laboratory, QAQC checked and imported into Explorer 3. ▪ Data tables were exported from Explorer 3 as a sub-set, also in MS Access format, and connected directly to the Gemcom Surpac mine software used by MA for interpretation and resource estimation. ▪ Data was validated prior to resource estimation by the reporting of basic statistics for each of the grade fields, including examination of maximum values, and visual checks of drill traces and grades on sections and plans. Errors were reported back to CuDeco for correction in the Explorer 3 Database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is*	▪ Mr Andrew Vigar of Mining Associates Limited visited the site from 12 to 15 October, 3 to 5 November and 8 to 10 December 2010, and from 17 to 19 March 2011 during the compilation of a detailed review of the drilling, sampling techniques, QAQC and previous resource estimates. Mr. Vigar also visited the site from 24 to 25 September 2013 to confirm the same for new drilling incorporated into this resource estimate. Methods were found to conform to international best practise, including that required by the JORC standard.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>the case.</td><td></td></tr>
<tr><td>Geological interpretation</td><td>• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.
• Nature of the data used and of any assumptions made.
• The effect, if any, of alternative interpretations on Mineral Resource estimation.
• The use of geology in guiding and controlling Mineral Resource estimation.
• The factors affecting continuity both of grade and geology.</td><td>▪ The Rocklands copper-cobalt-gold mineralisation is hosted in a series of subparallel, east south east trending, steeply dipping zones. Mineralised lodes occur within a metamorphosed sedimentary succession of siltstone, sandstone/quartzite, quartz magnetite/jaspilite lenses, calcareous beds and calc-silicates of Proterozoic age. Copper is the dominant mineralisation at Rocklands, lesser amounts of cobalt and gold. Copper mineralisation extends from surface to depth with overlapping oxide, secondary and primary styles of copper mineralisation. Mineralisation appears to be associated with and controlled by steeply dipping, west northwest trending, linear, structures that cut the shallow dipping metasedimentary sequence at a high angle.
▪ Orientation and grade of the known mineralised zones are clearly influenced by a combination of steeply dipping structurally controlled features, which may be spatially associated with largely sub vertical dolerite dykes, and shallowly dipping favourable lithological units.
▪ Controlling structures are sub-vertical and strike in a north-northwest orientation.
▪ Copper mineralisation extends from surface and is open at depth with overlapping oxide, secondary and primary styles. Primary sulphide mineralisation occurs at the base of a thick secondary mineralisation sequence of native copper and chalcocite with a minor complete oxidation zone.</td></tr>
<tr><td>Dimensions</td><td>• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</td><td>▪ The main area of defined mineralisation occurs as a number of sub-parallel structures over a corridor strike length of 3 km, 1.7 km wide and up to 0.64 km down dip, which excludes Solsbury Hill, Fairfield and nearby domains situated immediately to north of the main zone. There are a total of 38 currently defined domains, including Solsbury Hill and Fairfield.
<table>
<tr><th colspan="5">Mineralised domain extents (local grid)</th></tr>
<tr><td></td><td>m</td><td>East</td><td>North</td><td>RL</td></tr>
<tr><td rowspan="3">All Resource</td><td>min</td><td>9350</td><td>9960</td><td>-425</td></tr>
<tr><td>max</td><td>12375</td><td>14860</td><td>235</td></tr>
<tr><td>extent</td><td>3025</td><td>4900</td><td>660</td></tr>
<tr><td rowspan="3">Main Corridor</td><td>min</td><td>9390</td><td>12100</td><td>-425</td></tr>
<tr><td>max</td><td>12375</td><td>13175</td><td>235</td></tr>
<tr><td>extent</td><td>2985</td><td>1075</td><td>660</td></tr>
</table></td></tr>
<tr><td>Estimation and modelling techniques</td><td>• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation</td><td>▪ The resource estimate has been revised from "first principles" based on a review and re-interpretation of the geological controls and using the results of the extensive recent drilling programs.
▪ Mineralised domains were digitised on cross sections defining boundaries for High-grade Cu as >0.5%Cu, Low-grade Cu as >0.1% Cu and Cobalt as >100ppm Co. The domains are nested. There are a total of 38 currently defined domains. The intervals for each drill hole for each domain were tagged into database tables and used for compositing and selection of informing samples.
▪ Grade estimation of copper, gold, cobalt and magnetite in most mineralised domains used ordinary kriging (OK) into a parent block size of 12.5 m (E) by 2 m (N) by 5 m (RL) for all areas except Fairfield. Estimation at Fairfield used a parent block size of 6.25 m (E) by 1 m (N) by 2.5 m (RL).</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	method was chosen include a description of computer software and parameters used. • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	▪ Grade estimation of copper in Las Minerale and Rocklands South high grade domains used multiple indicator kriging (MIK) with cut-offs of 2%, 10% and 20% Cu. Two MIK estimates were obtained using DD-only and RC + DD data, so that sampling bias related to drilling method could be minimised. The estimated Cu value assigned in the final block model was based on the conditional bias slope of an OK estimate using DD-only data in the following manner: If DD IK slope > 0.3, block grade = DD IK grade; if slope <0.3, block grade = DD-RC IK grade. ▪ Defined mineralised domains were constrained with 3D wireframes Results for Cu were compared with the raw drill data and also with block estimates made using Nearest Neighbour and Inverse Distance squared block estimates, the first to test the impact of averaging and clustering, the latter the impact of clustering and the selected variogram. Resource categories were defined using sampling density, number of informing samples and conditional bias slope of regression. ▪ Geological and grade modelling work encompassed all drilling. Modelling work was extended vertically to the limits of the current drillhole assay database; section interpretations were extended a maximum of 25 m down dip and beyond the limit of drilling. Mineralisation is interpreted to be continuous between drill holes both along strike and down dip within the defined domains. ▪ Host lithologies between defined wireframe domains were allocated a lithological type and grades estimated into a larger block size of 50 m (E) by 8 m (N) by 20 m (RL) with data available outside of the wireframe domains. Where possible the wireframe domains were extended to these areas, but some areas where drilling and/or geological knowledge was insufficient remained, these areas are known as "undomained". Where grades above cut-off were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. ▪ Weathering horizons for oxide and semi-oxide were defined on section by CuDeco using drill lithological logs, as were domains for native copper and chalcocite at Las Minerale and Rocklands South. ▪ Block models were validated by visual and statistical comparison of drill hole and block grades and through grade-tonnage analysis. ▪ Kriged copper estimates were validated against Nearest Neighbour and Inverse Distance Squared copper estimates. These alternative models undertaken by different software and personnel achieved very close agreement with the reported results.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture*	▪ All tonnages are reported on a dry basis.

Criteria	JORC Code explanation	Commentary
	content.	
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	▪ Lower cut-off grade of 0.1% Cu AND 0.2% CuCoAu were applied to blocks in reporting open –pit resources. ▪ Lower cut-off grade of 0.6% CuCoAu were applied to blocks in reporting underground resources. ▪ Total C1 costs (mining, milling and admin) for open pit mining are approximately $18 per tonne of ore, which was based on a strip ratio of 3 to 1. Using weighted average prices for Cu Co and Au over the last 5 years and allowing for differential recoveries gives a cut-off grade of approx. 0.2% CuCoAu. ▪ Estimated C1 costs for underground mining were $68 per tonne of ore, giving a cut-off grade of approximately 0.6% CuCoAu. ▪ Magnetite only open pit resources are reported above a minimum cut-off of 10%.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	▪ Preliminary pit optimisation was undertaken using Whittle software by an independent mining engineering consultancy. The aim of this work was to identify the approximate proportion of the modelled estimates that fall inside an optimum pit shell using prevailing metal prices, preliminary metallurgical recoveries and assumed inputs such as pit slopes. This work was not intended to define reserves. The key metallurgical recovery assumptions were 95% for Cu, 90% for Co and 75% for Au as advised by CuDeco, The pit reached a depth of about -180m RL ▪ Size of preliminary conceptual pits is strongly affected by inputs, particularly metal recoveries and metal prices which, if unrealised, may result in significant portions of resource estimates not reporting to future open pits. ▪ Open pit resources are reported as those falling within the Whittle optimised pit shell. Potential underground resources are reported as those blocks lying underneath the Whittle optimised pit shell.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where*	▪ Numerous technologies and techniques have been applied to ore samples extracted from across the Rocklands mineralised zones to establish the general amenity of the Rockland's mineral species to efficient recovery to produce quality saleable products, and to determine any potential processing problems. ▪ No significant impediments to the efficient recovery of Rocklands copper, cobalt, magnetite and gold minerals have been encountered during the exhausting programme of laboratory and small and large-scale pilot processing testwork. ▪ No deleterious elements are present in concentrate products produced in the test programmes at concentrations in excess of, or near to, concentrations which would be likely to attract a penalty from a smelter or other end users. ▪ Concentrate products are above the minimum specification required to achieve full payment from smelters or other end users. The following procedures and processing techniques have been applied to Rocklands mineralised zones:

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</td><td>
<table>
<tr><th>Zone</th><th>Crush</th><th>Screen</th><th>Leach</th><th>Mill</th><th>Gravity Conc.</th><th>Floatation</th><th>Filtration</th></tr>
<tr><td>Oxidised</td><td>√</td><td></td><td>√</td><td></td><td></td><td>√</td><td></td></tr>
<tr><td>Native Copper</td><td>√</td><td>√</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td></tr>
<tr><td>Chalcocite</td><td>√</td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
<tr><td>Primary</td><td>√</td><td></td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr>
</table>
The following recovery values can be applied, based on weighted averages, across the mineralised zones to support resource estimation calculations:
<table>
<tr><th>Element/mineral</th><th>Copper</th><th>Cobalt</th><th>Gold</th><th>Magnetite</th></tr>
<tr><td>Recovery</td><td>95%</td><td>90%</td><td>75%</td><td>75%</td></tr>
</table>
</td></tr>
<tr><td>Environmental factors or assumptions</td><td>• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</td><td>

The Assessment Report for the Environmental Impact Statement and Environmental Management Plan for the Rocklands Goup Copper Project was issued by the Queensland Government on 1st August 2011 and the Environmental Authority (EA) which enabled the commencement of the Project was issued on 31st October, 2011.
The Project currently operates under the Queensland EA, Permit Number EPML00887913.
The environmental approvals referred to above allow the Project to operate at an average processing rate of 3.0 million tonnes per annum of ore and to dispose of the associated waste and tailings in approved-design waste-rock dumps and tailings storage facilities.

</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Bulk density</td><td>• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.
• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.
• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</td><td>▪ There were 3002 measurements, plus a number of validation tests undertaken for bulk density determinations with a spatial distribution across the Rocklands mineralised zones. Both internal and external laboratories were used in the bulk density programme. The results have been determined by way of averages for each of the main mineralised zones.
▪ The mineralised zones exhibited a definable trend of increasing bulk density with copper and magnetite grade and this has been factored for resource calculations.
▪ Based on the results obtained, the following table is applied to the mineralised zones for resource estimation purposes:
<table>
<tr><th>Zone</th><th>Baseline (t/m3)</th><th>Cu% Factor</th><th>Magnetite % Factor</th></tr>
<tr><td>Oxide</td><td>2.38</td><td>0.657</td><td>0.0279</td></tr>
<tr><td>Semi Oxide</td><td>2.70</td><td>0.0620</td><td>0.0247</td></tr>
<tr><td>Native Copper</td><td>2.50</td><td>0.0645</td><td>0.0267</td></tr>
<tr><td>Chalcocite</td><td>2.75</td><td>0.062</td><td>0.0221</td></tr>
<tr><td>Primary Mineralised</td><td>2.9</td><td>0.0605</td><td>0.0227</td></tr>
<tr><td>Fresh</td><td>2.75</td><td>0.0625</td><td>0.242</td></tr>
</table>
▪ The grade formula applied to the zone for resource estimation purposes is as follows:
Bulk Density = Baseline + %Cu*CuFactor + Magnetite%*MagnetiteFactor</td></tr>
<tr><td>Classification</td><td>• The basis for the classification of the Mineral Resources into varying confidence categories.
• Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).
• Whether the result appropriately reflects the Competent Person's view of the deposit.</td><td>▪ Resource classification is based on number of informing samples, kriging conditional bias slope (“Slope”) and search distance to informing samples.
▪ Blocks within the defined wireframes domains are classified as measured, indicated or inferred based on the following criteria
▪ Measured - maximum number of informing samples, Slope >0.8
▪ Indicated - maximum number of informing samples, Slope >0.4
▪ Inferred - block estimated within domain wireframes, minimum of 3 informing samples within maximum search of 300m.
▪ Host lithologies between defined wireframe domains are known as "undomained". Where grades above cut-off of 0.2% CuCoAu were identified and where these blocks had sufficient informing samples for the tonnage and grade estimates to be reliable, have been included in the inferred category only. Search range for this category was reduced to 200 m and minimum number of informing samples increased to 10 as no domain wireframes were used.
▪ Magnetite-only material was also allocated in the “undomained” section of the deposit using the same criteria as described above. A cut-off of 10% magnetite was applied.</td></tr>
<tr><td>Audits or reviews</td><td>• The results of any audits or reviews of Mineral Resource estimates.</td><td>▪ CuDeco’s internal review and audit of the February 2014 Mineral Resource Estimate consisted of data analysis and geological interpretation of over 210 individual cross-sections, comparing drill-hole data with the resource estimate block model.
▪ Good correlation of geological and grade boundaries were observed, however some loss of resolution is observed when high-grade results are present, due to the apparent smoothing of these results into surrounding blocks.
▪ No external audits or reviews of the mineral resource estimate were undertaken.
Comparison with previous Mineral Resource estimate</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>

In November 2013 CuDeco released a mineral resource estimate prepared by Mining Associates Australia.
CuCoAu equivalent grades were based on metal prices and metallurgical recoveries provided by CuDeco and refer to recovered equivalents:
Cu95% recoveryUS$2.00 per Pound
Co90% recoveryUS$26.00 per Pound
Au75% recoveryUS$900.00 per Ounce
Magnetite75% recoveryUS$175 per Tonne
The recovered copper equivalent formulae applied were:
CuCoAu% = Cu % + Co ppm*0.001232 + Au ppm*0.518238
CuEq% = Cu % + Co ppm*0.001232 + Au ppm*0.518238 +magnetite %*0.035342

<table>
<tr><th>Cut-off</th><th>Tonnes</th><th colspan="4">Estimated Grade</th><th colspan="2">Copper Equivalents</th><th colspan="3">Contained Metal and Equivalent</th></tr>
<tr><td>CuCoAu*</td><td rowspan="2">Mt</td><td>Cu</td><td>Co</td><td>Au</td><td>Mag</td><td>CuCoAu*</td><td>CuEq*</td><td>Cu</td><td>CuCoAu*</td><td>CuEq*</td></tr>
<tr><td>%</td><td>%</td><td>ppm</td><td>ppm</td><td>%</td><td>%</td><td>%</td><td>Mlb</td><td>Mlb</td><td>Mlb</td></tr>
<tr><td>0.20</td><td>272</td><td>0.19</td><td>214</td><td>0.08</td><td>5.9</td><td>0.5</td><td>0.7</td><td>1,125</td><td>2,962</td><td>4,208</td></tr>
<tr><td>0.40</td><td>96</td><td>0.45</td><td>308</td><td>0.13</td><td>4.6</td><td>0.9</td><td>1.1</td><td>959</td><td>1,902</td><td>2,244</td></tr>
<tr><td>0.80</td><td>30</td><td>1.01</td><td>466</td><td>0.21</td><td>4.8</td><td>1.7</td><td>1.9</td><td>681</td><td>1,140</td><td>1,253</td></tr>
</table>

Since November 2013 there has been a decrease in tonnes, but an increase in copper, cobalt, gold and magnetite grades. This is mostly due to the June 2015 resource reporting of open pit resources within a Whittle optimised pit shell (fxpe_35f_shell49.dtm), rather than the nominal depth of -250 m RL used in the 2013 resource. The pit shell extends to about -120 m RL and does not include all material to depth. The June 2015 resource also uses updated prices for calculation of copper equivalents, which has also had some impact on reported resources. Note that the Total resource as reported in June 2015 also now includes a significant underground component not reported in 2013.

</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to</td><td>

An approach to the resource classification was used which combined both confidence in geological continuity (domain wireframes) and statistical analysis. The level of accuracy and risk is therefore reflected in the allocation of the measured, indicated and inferred resource categories.
“Undomained” material, both copper and magnetite mineralisation, is restricted by the current level of drilling. Reporting of this as an Inferred resource was constrained by use of tight estimation parameters. It is expected that further work will extend this considerably.
Using the slope of regression as a guide to classification of mineral resource takes the quality and hence accuracy of the block estimates into consideration.

</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	▪ Resources estimates have been made on a local basis using a block model with variable block sizes which reflect the informing sample density. The model is suitable for technical and economic evaluation. ▪ The deposit is not yet in production. A grade control system, including reconciliation to the resource estimates, is currently being designed and will be used in future resource updates.

1.11.4 JORC Table 1 - Section 4 - Estimation and Reporting Ore Reserves

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Assessment
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	▪ The Ore Reserve Estimate is based on the November 2013 Resource Estimate prepared by MAPL (ASX announcement 29/11/2013). CuDeco supplied the resource drill hole database, geological interpretation and domain wireframes and average density estimates for the material types. MAPL undertook all other aspects of the resource modelling work, and takes overall responsibility for the resource estimate. ▪ The Resource Estimate is in a rotated block model format, with grades interpolated using Ordinary Kriging (OK). Kriging techniques were used to estimate grade into large panels, these panels were subsequently sub-blocked to 12.5m x 2m x 5m (local-grid East x local-grid North x RL). The estimation has been tightly constrained within wireframe boundaries defined by geology, structure and a 0.1% copper grade envelope. The model includes grades for copper, cobalt, gold and magnetite. ▪ The modelled resource grades do not incorporate dilution.

		▪ Bulk density has been defined using 3,002 measurements, categorised according to weathering, copper mineral zones, copper grade and magnetite grade. Bulk density measurements were taken on cut and un-cut diamond drill core using wax coating where necessary and determined by the Archimedean Method, i.e. weight in air/weight in water. ▪ The estimated resources include Measured, Indicated and Inferred categories, and are inclusive of the Ore Reserves. Resource categories were defined using sampling density, number of informing samples and conditional bias slope of regression as follows:- • Measured - maximum number of informing samples, bias slope of regression >0.8 • Indicated - maximum number of informing samples, bias slope of regression >0.4 • Inferred - block estimated within domain wireframes, minimum of 3 informing samples within maximum search of 300m. ▪ The unmined portion of the Ore Reserve is a subset of the unmined portion of the Resource. ▪ The surface stockpiles form part of the Proved Ore Reserve and are a conversion from that component of the Measured Resource with minor updates to tonnes and grades based on the latest grade control data. ▪ The Resource Estimate was provided to AMDAD in Surpac block model format.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	▪ John Wyche, Competent Person for overall Ore Reserves sign-off, undertook a site visit at Rocklands on 19th June 2014 including the following inspections: • Rocklands open cut and waste rock dump areas • Ore stockpiles • Process plant (under construction)
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	▪ The Rocklands Ore Reserve Estimate has been prepared in conjunction with a Feasibility Study of the Rocklands Project by CuDeco and its consultants. ▪ The Feasibility Study covers resource estimation, mining, processing, marketing, environment, community and financial modelling. These studies define the Modifying Factors used in this Ore Reserve Estimate. ▪ The Feasibility Study indicates a high degree of confidence that the project is technically and economically viable for the metal prices assumed. ▪ The status of the Rocklands Project is outlined below:- a) Mining operations commenced at the Rocklands Project in 2012. The Las Minerale Stage 1 open pit is completed, Las Minerale Stage 2 has been mined down approximately 45m below surface to 180mRL, the Las Mineral Final Stage has been mined down to 215mRL, Rocklands South has been cleared and grubbed to the final pit limit with some surface mining to 5m depth, Southern Rocklands Extended pit has been mined down to 208mRL, approximately 12m below surface. Ore mined to-date has been stockpiled near the ROM/crusher location. Most of the parameters adopted for the mine plan are based on Rocklands mining operations experience to-date. b) Construction of the processing plant and general site infrastructure is nearing completion.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied*	▪ Ore/waste cut of grade (COG) is determined using a recovered copper equivalent grade estimated (Spec_CuEq), based on the ratio of species of contributing metals, weathering profiles, corresponding recoveries and net metal prices. The following inputs are used in determining Spec_CuEq values; • Copper, cobalt, gold and magnetite grades

- Logged minerals present including;
- copper species
- pyrite content (used to estimate cobalt recovery)
- Weathering profile (used to determine recoveries in the absence of logged minerals)
- Magnetite content
- Lithology

- Ore is stockpiled into 1 of 12 ore type categories, also determined from the above information, in order to match metallurgical and mineralogical characteristics of various processing regimes.
- In the absence of sufficient information to determine recovered copper equivalent grades, the lowest recovery profile for each ore type is used.
- In its simplest form, Rocklands ore is segregated into three main ore types; oxide, partial-oxide (chalcocite-rich) and fresh (chalcopyrite-rich). These are further split into native copper or non-native copper bearing versions of each, then finally split once again into high-grade and low-grade versions.

Rocklands ore types:

oxide				**chalcocite**				**primary**			
oxide		oxide + NatCu		chalcocite		chalcocite + NatCu		primary		primary + NatCu	
High	low	High	low	High	low	High	low	High	low	High	low

- Ore is sent to the mill for processing (or stockpiled for later processing) if the following conditions are satisfied;
  - Oxide ore
    - Low-grade: Cu% >=0.5% and Cu% <1%
    - High-grade: Cu>=1% Cu
  - All other ore types;
    - Magnetite waste: Cu<0.1% and Mag>=10% (not included in reserves)
    - Low-grade: Cu>0.1% and Species CuEq>=0.3% and Cu<0.5%
    - High-grade: Cu>=0.5%
  - The Spec_CuEq formula is defined by the following:

CuEq% = ∑ [(Copper species%) x (species copper content) x (species copper recovery)]

+ Co_ppm x Co_rec x PrCo / PrCu

+ Au_ppm x Au_rec x PrAu / PrCu

+ if(mag%<2,0,((mag% - 2) * magrec * PrMgt / PrCu

for the recoveries and net prices tabulated below:-

<table>
<tr>
<td></td>
<td></td>
<td>
<table>
<tr><th>Metal</th><th>Copper Species</th><th>Recovery (rec)</th><th>Net Price</th><th>Net Price (Pr) per grade unit</th></tr>
<tr><td rowspan="6">Copper (Cu)</td><td>Bornite</td><td>92%</td><td rowspan="6">A$3.20/lb</td><td rowspan="6">A$70.54/10kg</td></tr>
<tr><td>Chalcocite</td><td>92%</td></tr>
<tr><td>Chalcopyrite</td><td>95%</td></tr>
<tr><td>Native Copper</td><td>95%</td></tr>
<tr><td>Malacite & Azurite</td><td>65%</td></tr>
<tr><td>Other oxides</td><td>65%</td></tr>
<tr><td>Cobalt (Co)</td><td></td><td>Variable</td><td>A$18.00/lb</td><td>A$0.0397/g</td></tr>
<tr><td>Gold (Au)</td><td></td><td>75%</td><td>A$1200/oz</td><td>A$38.58/g</td></tr>
<tr><td>Magnetite (mag)</td><td></td><td>80%</td><td>A$140/t</td><td>A$1.40/10kg</td></tr>
</table>

Cobalt recovery at Rocklands varies depending on ore type and associated pyrite content. CuDeco uses a pyrite–to-cobalt ratio of 50:1 to determine if sufficient pyrite is present to support full recovery of the estimated cobalt content. If the pyrite–to-cobalt ratio is ≥ 100, a maximum cobalt recovery of 90% is applied, i.e. 90% x 100% = 90%. Recoveries reduce as the pyrite–to-cobalt ratio falls below 100. For example, if the pyrite–to-cobalt ratio is 70 the cobalt recovery is 90% x 70% = 63%. The formula used to calculate cobalt recovery is:
Cobalt recovery = If(CN / Co_ppm > 0.9, 0.9, CN / Co_ppm)
Where:
CL = (Py% * 100)
CM = (Py% * 100) - Co_ppm
CN = If(CM > CL,Co_ppm * Py_rec, CL * Py_Rec)
Note: CuDeco estimates pyrite recovery, Py_Rec, to be 90%

</td>
</tr>
<tr>
<td>Mining Factors and Assumption</td>
<td>

The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).
The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including

</td>
<td>

The Ore Reserve estimate is based on extraction of ore by open pit mining in a conventional truck and shovel operation, using 180t and 190t class hydraulic excavators, in backhoe configuration, and 90t dump trucks. Drilling and blasting is conducted on 10m high benches. Digging is conducted on flitches of 2.5m height in the ore and up to 5m high in bulk waste blocks.
AMDAD considers this mining method and equipment selection to be appropriate to the terrain, ore and waste geometry and scale of mining.
AMDAD ran a Whittle™ pit optimisation to guide the pit design. The pit optimisation was run using net metal prices of A$3.84 per lb copper, A$18 per pound cobalt, and A$1200 per oz gold. Magnetite was not used in the generation of the optimised pit shells. The revenue factor (RF) 1 shell was selected by CuDeco to guide the final designs used for the Ore Reserve. Note that the RF 1 shell will maximise undiscounted cashflow for the project but may be larger than the pit that would maximise discounted cashflow.
The Ordinary Kriged resource modelling technique used by MAPL estimates grades for whole blocks. This effectively incorporates internal dilution within a block. Additionally, the block grades have been adjusted for a notional "skin" of 0.5 metres along the boundary of the ore zones with 0.5m from the edge of the ore zone being lost to waste representing unavoidable mining losses.

</td>
</tr>
</table>

associated design issues such as pre-strip, access, etc.

- *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.*
- *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*
- *The mining dilution factors used.*
- *The mining recovery factors used.*
- *Any minimum mining widths used.*
- *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*
- *The infrastructure requirements of the selected mining methods.*

The process preserves the total mass of material, with each block gaining and losing the same volume of material but resulting in an overall decrease in metal available for milling. A 95% mining recovery is then applied to the mining block. Overall dilution of ore by sub-economic material at the ore-waste boundaries is estimated to result in a copper grade reduction of approximately 5%. In summary, modelling of a 0.5m thick dilution skin with an overall mining recovery of 95% generates:-

- A tonnage dilution of 0%
- A mining loss of 5%
- An overall copper grade factor of 0.97
- An overall metal factor of 0.92

- The Reserves are an estimate of the tonnes and grade of ore delivered from the open pits to the processing plant.
- The Ore Reserves were estimated within a final pit design, including haul roads and safety berms. The open pit and haul road designs were generated as three dimensional computer models using Surpac™ software.
- The pit optimisation and designs for Las Minerale (LM), Rocklands South (RS) and Southern Rocklands Extended (SRE) incorporate recommended wall design parameters provided by geotechnical consultants Pells Sullivan Meynink (PSM). These recommended parameters are shown below:

Area	Rock	Bench Height	Batter Angle	Berm Width	Inter-ramp Angle (IRA)
All Pits	Above BOCO	20m	55°	10m	-
LM Meta-sediments	Below BOCO	20m	70°	10m	49°
LM Dolerite	Below BOCO	20m	80°	10m	56°
RS North	Below BOCO	20m	70°	10m	49°
RS South	Below BOCO	20m	65°	10m	46°
RSE North	Below BOCO	20m	70°	10m	49°
RSE South	Below BOCO	20m	65°	10m	46°

PSM recommends the use of pre-split blasting methods, otherwise the designed slopes may not be achieved. As well, there is a requirement for ongoing geotechnical mapping during operations and modification of pit designs subject to “as encountered” ground conditions.

No geotechnical studies have been undertaken at Rainden (RD). Design parameters for RD pit are:

Area	Rock	Bench Height	Batter Angle	Berm Width
All Pits	Above BOCO	15m	55°	5m
LM Meta-sediments	Below BOCO	15m	70°	5m

		▪ Inferred Resources were not included in the pit optimisations. Inferred resources only occur within the Rainden pit design and were treated as waste. The Ore Reserves exclude any Inferred Resources. ▪ As well as excavation of initial haul roads within the open pit footprints, the open pit designs incorporate staged pits to access higher value ore early in the mine life. The designs for the pit stages and the pushback to the final pit walls were based on a minimum mining width of 40m. This mining width is considered appropriate for the selected mining fleet. ▪ AMDAD prepared a life of mine (LOM) schedule based on the Ore Reserves estimate and waste rock within the designed pit stages and ore stockpiles. CuDeco has confirmed the suitability of the schedule. ▪ Infrastructure in place to support the open pit mining operations includes the following:- • Water management structures including drains and sediment ponds (constructed) • Heavy vehicle and light vehicle workshop facilities including washdown facility, tyre shop, welding shop and warehouse (under construction) • Fuel storage and dispensing facility (constructed) • Explosives magazine (constructed) • Office (constructed) • Core shed (constructed)

Metallurgical Factors or Assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	▪ The metallurgical process has, to a reasonable extent been driven by the need to be able to accommodate, and indeed recover in saleable form, a wide range of native copper nugget sizes and also fine (<1mm) native copper metal. With this in mind the choice of processing equipment has focussed on items that will do this, but also be suitable for processing efficiently the remainder of the orebody making up this reserve, a major proportion of which is "conventional" primary ore. The choice has therefore been limited to conventional and proven equipment. For example, the primary and secondary crushing circuit consists of jaw, rolls and cone crushers in series and the tertiary crushing/grinding is performed by a High Pressure Grind Rolls (HPGR) rather than a SAG mill. All this equipment is used in 'conventional' mineral processing circuits. alljig® jigs selected for the -40mm,+2mm native copper separation, although not widely known in Australia have been in use for gravity separation processes for over 20 years. Spirals and tables, used for separation of the fine native copper are tried and proven in similar applications in the mineral sands industry in Australia. The remainder of the process consist of conventional flotation cells and tower mills for re-grind applications, all of which are well proven in the industry. ▪ Early metallurgical test-work focussed on samples from drill core selected by the consulting geologists as representative of the differing ore-types as known at the time of the exploration and resource development. As the resource development drilling continued and in consultation with the geologists a much wider selection was made, including testing for performance variability across the mineral and lithological domains, and then continuing into sampling of over 6,000m of wide-diameter drill core from all parts and depths of Las Minerale and Rocklands South orebodies for the large-scale pilot plant testing of the process flowsheet. ▪ The factors applied as a result of this programme are: ▪ Analysis of the concentrates produced during laboratory testing and full-scale trial processing indicated no concentrations of deleterious elements likely to attract smelter penalties.

			Cu Species ratio			
Ore-type (code_copper)	Mill code	Recovery (Av)	NC	CC	CPY	OX
CC	CC Cu	90.00%	0.00%	54.40%	29.60%	16.00%
Chalcocite domain	CC Co	70.00%				
	CC Au	75.00%				
	CC Mag	50.00%				
			NC	CC	CPY	OX
CPY	CPY Cu	95.00%	0.00%	2.82%	95.65%	1.55%
General copper domain	CPY Co	90.00%				
(not just primary)	CPY Au	75.00%				
	CPY Mag	50.00%				
			NC	CC	CPY	OX
NC CC	NC CC Cu	95.00%	59.56%	40.65%	10.33%	8.64%
Native copper domain	NC CC Co	40.00%	59.56%	40.65%	10.33%	8.64%
	NC CC Au	75.00%				
	NC CC Mag	50.00%				
			NC	CC	CPY	OX
NC CPY	NC CPY Cu	95.00%	20.97%	14.34%	60.19%	4.50%
Native copper domain	NC CPY Co	90.00%	20.97%	14.34%	60.19%	4.50%
	NC CPY Au	75.00%				
	NC CPY Mag	50.00%				
			NC	CC	CPY	OX
OX	OX Cu	65.00%	0.00%	11.51%	8.54%	80.35%
	OX Co	10.00%				
	OX Au	75.00%				
	OX Mag	50.00%				
			NC	CC	CPY	OX
NC OX	NC OX Cu	95.00%	28.72%	14.10%	4.83%	52.75%
	NC OX Co	10.00%	28.72%	14.10%	4.83%	52.75%
	NC OX Au	75.00%				
	NC OX Mag	50.00%				
			NC	CC	CPY	OX
Undefined	Undefined Cu	65.00%	2.04%	17.86%	32.65%	47.45%
Undefined domain - no NC	Undefined Co	65.00%				
(mineralisation outside of orebodies)	Undefined Au	75.00%				
	Undefined Mag	50.00%				
			NC	CC	CPY	OX
MinW	MinW Cu	60.00%	2.04%	17.86%	32.65%	47.45%
Undefined domain	MinW Co	60.00%	2.04%	17.86%	32.65%	47.45%
(mineralisation outside of orebodies)	MinW Au	75.00%				
	MinW Mag	50.00%				
			NC	CC	CPY	OX
MagW	MagW Cu	50.00%	0.00%	0.00%	100.00%	0.00%
Undefined domain	MagW Co	50.00%				
(mineralisation outside of orebodies)	MagW Au	75.00%				
	MagW Mag	50.00%				

		▪ Bulk sample for pilot scale testing was obtained from approximately 6,000m of large diameter (PQ) core drilled over the full area and accessing the major lithological zones of Las Minerale orebody and the Rocklands South orebody. ▪ Ore is subdivided into mineralogical categories and grade ranges (specifications), that have been included as inputs in the ore reserve estimate. These are based on appropriate mineralogical assessment of ore to meet processing requirements for metal extraction.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	▪ Environmental Legislation – Commonwealth Mining activities are also regulated by the Commonwealth Government under Environment Protection and Biodiversity Conservation Act 1999 (Cth). The EPBC Act defines a "controlled action" as an activity that will have, or is likely to have a "significant impact" on a "Matter of National Environmental Significance" (NES). Under the EPBC Act it an offence to take a "controlled action" without an approval under the EPBC Act. The requirement to submit an Environmental Impact Statement (EIS) is implemented through the EPBC Act. ▪ Environmental Impact Statement For most mining activities, the Environmental Impact Statement (EIS) process is also triggered. This is an assessment of the proposed controlled actions and submitted to the Minister to assess. Sometimes it is voluntarily done to take advantage of the bilateral agreement under the EPBC Act to ensure that only a single assessment process is applied under both State and Commonwealth environmental regulation. ▪ Environmental Legislation - State All Mining activities are regulated by both the Commonwealth and Queensland State Governments. In Queensland, the primary piece of legislation is the Environmental Protection Act 1994 (EP Act) which is administered by the Queensland Department of Environment and Heritage Protection (DEHP). The object of the EP Act is "to protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends." ▪ Environmental Authorities for mining activities The Environment Protection Act 1994 (EP Act) regulates mining activities by the issuing of an environmental authority (EA) for mining activities which are: • an activity that is an authorised activity for a mining tenement under the MR Act; or • another activity that is authorised under an approval under the MR Act that grants rights over land. A contravention of an EA condition can lead to prosecution under the EP Act section 430; "a person who is a holder of, or is acting under, an environmental authority must not contravene a condition of an environmental authority". The maximum penalty for an individual is 6,250 units with a corporation five (5) times higher. ▪ Plan of Operations A standard condition of an EA approval requires the preparation of a plan of operations. A plan of operations sets out how the EA conditions (including rehabilitation requirements) will be met. The specific requirements for a plan of operations are set out in the EP Act. Refer to Table 3 CuDeco Plan of Operations.

- Environment licencing

CuDeco have held and maintained an Environmental Authority (licence) since October 2012. Since then there have been six amendments to the licence to reflect changes in site design and monitoring requirements; as more site specific information becomes available. CuDeco is currently licenced under EMPL00887913 which was approved 19th November 2014. CuDeco are currently preparing for the next EA amendment lodgement through the Department of Environment and Heritage Protection. This is currently anticipated to occur early 2016.

An independent third party Environmental Authority audit is undertaken under conditions A27-30 of the current licence on an annual basis. This audit is to assess CuDeco's performance against licence conditions. All EA auditing has been completed by independent auditors Synnot & Wilkinson since 2013.

- Environmental Approvals –Rocklands

The Environmental approval process as required by the State of Queensland.

CuDeco has completed this process and has continually maintained its licencing requirements. Table over the page exhibits CuDeco's Environmental Approval history and amendments.

CuDeco's Environmental Approval history and amendments

Environmental Authority (EA) Date	Amendment approval dates
October 2011	Draft EA
October 2011	Final EA issued 31/10/2011
October 2012	Renewed EA issued 12/10/2012
February 2013	Renewed EA issued 15/02/2013
May 2013	Application submitted 19/06/2013 Application withdrawn by CuDeco 19/07/2013
August 2013	Amended EA approved 29/08/2013 Changes to Schedule C-Land and Rehabilitation • Biodiversity offsets • TSF
December 2014 (current EA)	Amended EA approved 19/12/2014 Changes to : Schedule B-Air • Ambient air quality • Meteorological monitoring • Inclusion of Copper

		• Inclusion of continuous solar air quality monitoring method Schedule D-Regulated dams • Classifications of regulated dams reviewed Schedule E-Waste • Extension to East waste rock dump Schedule F-Noise • Noise limits and monitoring frequency • Air blast and ground vibration monitoring requirements Schedule G-Water • Add in new bores • Amendments to trigger and contaminant limits
		December 2015 — CuDeco is currently preparing a new EA amendment. This amendment is to assist CuDeco to further develop site specific environmental monitoring objectives. It is currently anticipated that this application shall be completed in early 2016. An updated Plan of Operations shall be completed following the approval of this EA amendment.

- CuDeco Plan of Operations

Document Number	Title	Date	Author
CDU-ENV-PLN-0002	Plan of Operations March 2012-December 2012	29/03/2012	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2013 – June 2013	29/04/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations July 2013 –December 2013	19/06/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations September 2013 –December 2014	20/09/2013	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations October 2014 – November 2015	30/10/2014	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations January 2015 – December 2015	19/01/2015	CuDeco Ltd
CDU-ENV-PLN-0002	Plan of Operations December 2015 – May 2017	20/11/2015	CuDeco Ltd

- End note

		CuDeco's current Environmental Authority to operate, granted through the Queensland Department for Environment and Heritage Protection (EHP) will continue to be implemented throughout the planned life of the operation. This licence is renewed annually through the official EHP annual return notification procedure. It is envisaged that CuDeco may apply for amendments to the Environmental Licence during the operational life of the project; this will be to update and better develop and manage site specific data trigger levels and contaminant limits. Following each approved EA amendment a new Plan of Operations shall also be lodged for review with EHP for approval before on ground works begin. This method of approval should not affect ongoing site infrastructure development and operation as outlined in the December 2015 feasibility study. The following is a list of supporting documents/files for waste rock and tailings management: • Tailings and Surface Water Management DFS *PE801-00089_03 Tailings and Surface Water Management DFS (RevA).pdf* • Summary of Tailings Geochemical Test Results *PE801-00089 EMEM008 Mejt11001 Summary of Tailings Geochemical Test Results.pdf* • Waste Rock Geochemistry REV A *PE801_00089_04 Waste Rock Geochemistry Rev A.pdf* • Second Phase Waste Rock Geochemistry REV C Complete *PE801_00089_06 Second Phase Waste Rock Geochemistry Rev C Complete.pdf* • Third Phase Rock Geochemistry REV *B PE801_00089_09 Third Phase Waste Rock Geochemistry Rev B.pdf* • CD Issued to Hutch *CD issued to Hutch (230712).zip* ▪ WASTE ROCK CHARACTERISATION Knight Piésold provided design parameters and construction guidelines for the Rocklands waste rock dump (WRD). Waste rock characterisation work by Knight Piésold found that:- • The main waste domains are dolerite, sediment, breccia, calcareous, quartz sediment, meta-sediment and cover material comprising colluvial, alluvial and ferricrete and calcrete rocks. • Waste rock has a high to very high salinity risk and high pH risk and is generally poorly suited for use in outer facing of WRDs. • Waste rock generally has a low to moderate sulphide content. • Large proportions of carbonate can be present in the waste rock providing moderate to high acid neutralising capacities. The variability of the acid neutralising capacity of the rock however requires ongoing testing during the mining operation. • Approximately 7% of the waste to be mined will require placement within an engineered PAF storage area. • Different domains present varying degrees of acid production/consumption.
Infrastructure	• *The existence of appropriate infrastructure: availability of land*	CuDeco owns, or leases, and has already established all necessary office facilities in Southport, Cloncurry and on site at Rocklands.

	for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	This includes: • Head Office (Southport, Qld) • Regional Office (Cloncurry, Qld) • Operations Office facilities (Rocklands Project Site) o Mining & Administration Office o Processing Office & Control Room o Mobile Maintenance Office The Rocklands Site Facilities include crib rooms, ablution blocks, training facilities, workshops and storage areas. ▪ Accommodation CuDeco owns or leases a portfolio of properties in Cloncurry to supply accommodation to employees. These range from camp style self-contained villages to units and houses. ▪ Maintenance Facilities CuDeco has a maintenance workshop for light vehicles and light trucks. Heavy Vehicle maintenance is currently carried out in a temporary unpowered igloo facility. A permanent HV maintenance facility is under construction, the concrete pad is laid, sea containers are being converted into storage and working areas. A roof will be installed that provides working space for 100t dump trucks and other heavy machines. ▪ Explosives Infrastructure & Magazines CuDeco has facilities and licensing in place to store all IE & HE required for the life of the project. Magazine capacity is 40000 detonators and 20 tonnes of IE accessories and storage for up to 280 tonnes of HE. ▪ Infrastructure Water Supply With CuDeco's efficient road design and dust suppressant regime, the dewatering bores have always produced excess amounts of water which is then sent to alternative water storage areas such as the WSF (Water Storage Facility). Currently CuDeco have 5 such dewatering bores in use which not only have successfully kept water out of the LM Pit and SRE Pit, but supply 3 times the amount that the Mine Infrastructure Supply needs. ▪ Production Water Supply CuDeco have already got in place 3 fully functional production bores, with the capability of producing 30L/s constantly, which is 2/3rd the make up production water required for the full operation of the process plant and ancillary water requirements. CuDeco also have an additional 5 high yield flow proven production bores that are capable of producing an extra 50L/s, with the total production water supply meeting all the demands of the process plant, mining and ancillary activities. CuDeco have also completed the necessary in-town infrastructure that will supply Rocklands site with back up water. The completed infrastructure comprises of two pumping stations and 10km of large diameter pipe line that is capable of supplying an addition 2ML a day which is equivalent to 23L/s. ▪ Water Storage

The principal water storage facility for the Rocklands project is the Water Storage Facility (WSF) which is located approximately 1.9 km to the north west of the processing plant and which comprises a small cross valley embankment which has a maximum height of approximately 8m. The embankment will inundate an area of approximately 45.3 hectares and has a capacity of approximately 1.1 Gigalitres at full supply level. The WSF has sufficient capacity to supply water for the processing plant during extreme dry years

Water diverted around the mining areas will flow through the Water Harvesting Facility (WHF) with at least 25% of the flows allowed to continue downstream. This facility has a capacity of 98,000 m3 to the spillway invert, but will rarely contain water. This facility will be unlined as it is only a short term holding cell.

Adjacent to the processing plant is the several process water ponds which will store return water from the tailings storage facility, make-up water from the WSF and pumped flows from the ROM pad pond and other minor water sumps in around the crushing plant. This pond will have a capacity of 20,000m3 equivalent to 3 days of plant operation. This pond will be lined with a single 1.0mm HDPE liner. This pond will supply firefighting water for the processing plant as well.

Small turkey nest ponds are positioned at various locations around the site to provide dust suppression and to supply alternate firefighting water sources, these storages are sized individually depending on dust suppression requirements and range from 1000m3 to 3000m3. It is envisaged that there will always be turkey nest ponds located near each of the open pits and other key areas of the site.

- Potable Water Supply, Treatment and Dispersal

The potable water requirement for the Project is 3.6 KL/day. Potable water is currently being processed on site with a fully functional Reverse Osmosis (RO) unit, which is fed from a dewatering bore that was analysed as being potable in nature. This RO unit is capable of producing 20 KL/day and is more than adequate to supplying the project with all its potable water requirements.

- Raw Water Supply and Dispersal

The raw water requirement for the Project is 0.5 KL/day, which is primarily used for supplying amenities all over site, from toilets and bathrooms, wash-down facilities and other minor applications such as drilling needs.

- Current Sustainable Flow Rates from Production and Dewatering Bores

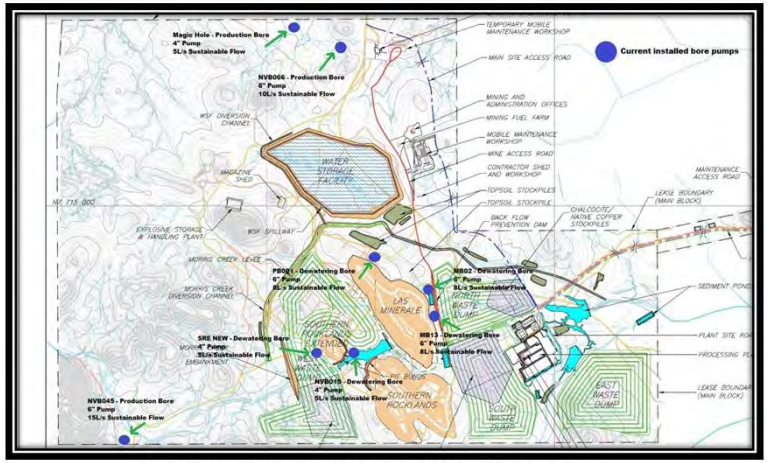
HOLE ID	*BORE TYPE*	*LOCATION*	*PUMP SIZE*	*SUSTAINABLE FLOW*
MH1	*Production*	*Northern Boundary*	*4”*	*5L/s*
NVB066	*Production*	*Solsbury Hill*	*6”*	*10L/s*
PB001	*Dewatering*	*Turkeys Nest 1*	*6”*	*8L/s*
MB02	*Dewatering*	*Haul Road/LM Pit East*	*6”*	*8L/s*
MB13	*Dewatering*	*Haul Road/LM Pit East*	*6”*	*8L/s*
NVB019	*Dewatering*	*SRE Pit East*	*4”*	*5L/s*
SRE1	*Dewatering*	*SRE Pit West*	*4”*	*5L/s*
NVB045	*Production*	*Fox Mountain*	*6”*	*15L/s*

Table showing the current sustainable flow rates from installed bore pumps

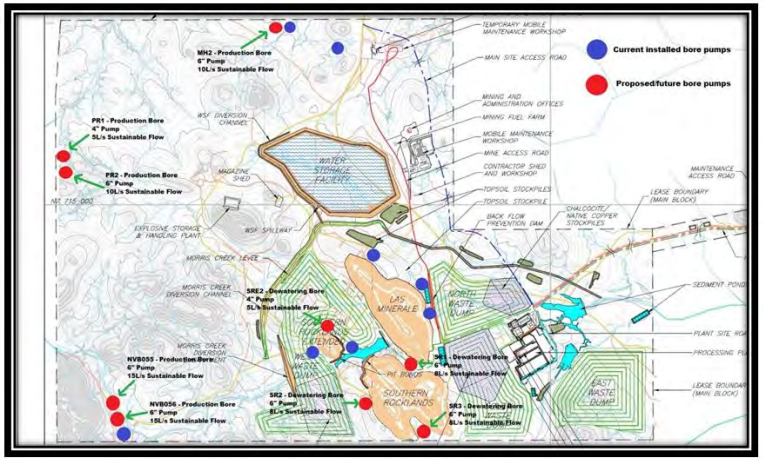
- Proposed/Future Sustainable Flow Rates from Production and Dewatering Bores

Table showing proposed/future sustainable flow rates from yet to be installed bore pumps

HOLE ID	BORE TYPE	LOCATION	PUMP SIZE	SUSTAINABLE FLOW
MH2	Production	Northern Boundary	6”	10L/s
PR1	Production	Western Boundary	4”	5L/s
PR2	Production	Western Boundary	6”	10L/s
NVB055	Production	Fox Mountain	6”	15L/s
NVB056	Production	Fox Mountain	6”	15L/s
SRE2	Dewatering	SRE Pit North	4”	5L/s
SR1	Dewatering	SR Pit North	6”	8L/s
SR2	Dewatering	SR Pit West	6”	8L/s
SR3	Dewatering	SR Pit South	6”	8L/s



Map showing the locations of the current fully installed bore pumps



Map showing current and proposed/future bore pumps

Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*	**CuDeco Key Economic Parameters**

Parameter	Unit	Value
Average LOM Mill feed	Mtpa	3.0
Average LOM Head Grade	Cu eq %*	0.90
Average LOM head Grade	Cu %	0.71
Average LOM Production	Cu eq tpa	25,319
Average LOM Production	Cu tpa	18,347
Mine Life	Years	10**
C1 LOM Cash Costs Cu eq	A$/lb of copper	1.13
C1 LOM Cash Costs Cu	A$/lb of copper	2.08
Initial Capital Invested	A$M	637.4
LOM Sustaining Capital	A$M	42.2

- *The allowances made for royalties payable, both Government and private.*

LOM Sales revenue	A$M	1,930
Net Cash flow before tax	A$M	631
Net Profit LOM after tax	A$M	112
NPV before Tax @ 8 %***	A$M	465
NPV after Tax @ 8 %***	A$M	405
IRR after tax	%	0.2
LOM Exchange rate	AUD/USD	0.711

** - 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*

**** - NPV excludes any debt repayments and/or funding revenue/payments*

The total estimated capital costs are capital costs to achieve commercial production, including practical construction completion, commissioning and an allowance for working capital to reach surplus cash flow.

CuDeco Capital Costs estimate for the Project ($000s)

Cost Category	AUD ($000's)	AUD ($000's)	AUD ($000's)
Project Pre- Development Costs (Including Exploration up to granting of Mining Leases)			83,764
Capital Costs of Project Construction (from granting of Mining Lease to December 2015:			
Process Plant		276,901	
Land & Buildings		16,962	
Other Plant & Equipment and Mining Assets		46,268	
Mine Development Expenditure			
Overburden removed	62,628		
Cost of Ore Stockpiles	17,590		
Environmental rehabilitation provision	6,246		

		Corella Park and Burke Roads construction	3,116		
		Tails Dam	5,234		
		Costs of Infrastructure assets	54,960		
		Total Mine Development Expenditure		149,774	
		Total Project Capital Costs to December 2015			489,905
		Estimated Capital and Operating Costs to surplus cash flow			63,726
		Total Estimated Costs from Commencement of Exploration to Completion			637,396

Life of Mine (LOM) Capital Costs are estimated as follows:

CuDeco Life of Mine Capital Costs estimate for the Project ($000s)

Life of Mine Capital	AUD ($000's)
Capital costs to date	573,670
Capital and Operating Costs to Surplus Cash Flow	63,726
Sustaining Costs	42,227
	679,623

The operating costs reflect the cost of mining based on actual performances of The Project and mining unit rates since commencement of mining in November 2012. Processing costs are based on estimated budgeted costs of similar sized Australian copper operations and outputs as per the design of the plant by the EPCM contractor, Sinosteel.

1. Mining operations will ramp up to 22.0 million tonnes per annum in year 3, which will enable a sufficient stockpile to allow mining to cease in year 7.
2. Processing throughput is 3.0 million tonnes per annum

All costs are reported in Australian dollars (AUD), unless otherwise specified. Exchange rate used - $0.711 AUD to USD (weighted average).

Site personnel all reside in Cloncurry and those recruited from areas outside of Cloncurry are provided accommodation by The Project. Employees that work on a fly-in fly-out (FIFO) arrangements are not reimbursed for any travel or accommodation whist travelling to

		or from site i.e. all personnel are recruited out of Cloncurry. There is a small team working from head office, Southport Queensland, which includes Company Secretary, Administration and Finance. Processing cost includes gravity jigs, only native copper ore needs to go through gravity jigs which is expected to be between 8-9Mt of native copper ore. Jigs will run for first 3-4 years only, thereafter some remnant native copper ore may batch-processed as it is accessed in later pits, but this will be stockpiled and batch-processed for no more than a total of 2-3 quarters only. Jigs will be by-passed, saving processing costs associated with the jigs. LOM operating costs are shown below. TC/RC is for Copper, Native Copper, Pyrite, Gold, Silver and Magnetite. Transportation is for all products from Rocklands Project to Townville Wharf and is based on the Townsville Bulk Storage and Handling (TBSH) contract.

Cost Category	($000's)	Unit Cost ($/t mined)	Unit Cost ($/t milled)
Mining			
Grade Control and Assay	21,054	$0.15	$0.76
Mining Overheads/Administration (inc Survey)	66,781	$0.47	$2.41
Maintenance	99,258	$0.70	$3.58
Dig and Load	38,706	$0.27	$1.40
Stockpile to ROM	5,543	$0.04	$0.20
Drill and Blast	99,040	$0.70	$3.57
Haulage	105,463	$0.74	$3.80
Total Mining	**435,845**	**$3.06**	**$15.72**
Processing			
Power	174,076		$6.28
Op Labour	90,056		$3.25
Maintenance (Capital replacement)	21,586		$0.78
Maint Labour	23,750		$0.86
Consumables	56,496		$2.04
Lab Assays	2,924		$0.11
Total Processing	**368,888**		**$13.30**
Subtotal	**804,733**		**$29.02**
General & Administration	66,438		$2.40
Transportation	116,305		$4.19
Royalties	80,046		$2.89
RC/TC	231,747		$8.36
Contingency	-		$0.00
Subtotal	**494,535**		**$17.83**
Total Operating Costs	**1,299,268**		**$46.85**

Life of Mine Operating Costs ($000s)

AUD/USD Exchange rate linked to gold, iron 0re & coal prices with a start price of 0.715

Concentrate transport cost (FOB/t) – A$94.00

Cu Treatment & Refining Costs per pound – A$0.33

Treatment & Refining Costs per pound (CuEq - av all products) – A$0.44

Gold – 1 g/t

Silver – 30 g/t

	Unit	Total	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Exchange Rate	USD/AUD	*0.708*	*0.715*	*0.720*	*0.720*	*0.714*	*0.711*	*0.710*	*0.706*	*0.702*	*0.699*	*0.695*	*0.691*
Commodity Prices													
Copper	USD/lb	2.68	2.19	2.30	2.46	2.42	2.52	2.79	2.84	2.90	2.95	3.01	3.07
95% Payable	AUD/t	7,940	6,424	6,679	7,156	7,093	7,417	8,236	8,435	8,643	8,859	9,081	9,319
Cobalt	USD/lb	14.67	11.90	12.22	14.05	14.66	14.71	14.98	15.27	15.52	15.79	16.01	16.27
90% Payable	AUD/t	41,187	33,009	33,682	38,727	40,704	41,032	41,862	42,913	43,827	44,849	45,718	46,735
Calc Sulphur	USD/t	20	115	11	11	11	11	11	11	11	11	11	11
80% Payable	AUD/t	23	129	12	12	12	12	12	12	12	12	12	12
Gold	USD/oz	1,052	1,138	1,138	1,066	1,058	1,049	1,041	1,033	1,024	1,016	1,008	1,000
95% Payable	AUD/oz	1,412	1,511	1,501	1,407	1,407	1,401	1,393	1,390	1,385	1,382	1,378	1,375
Magnetite	AUD/t	56	45	46	49	51	53	56	58	61	63	66	69
Silver	USD/oz	15	15	15	14	15	15	15	15	16	16	16	16
95% Payable	AUD/oz	20	19	19	19	19	20	20	21	21	21	22	22

Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter*	

	returns, etc. • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	

PHYSICALS	Unit	Total	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Ore Mined/Processed													
Ore Mined	(000's t)	142,304	460	16,985	20,000	25,000	20,000	20,000	20,000	19,859	-	-	-
Ore Processed	(000's t)	27,734	240	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	494
Production													
Copper													
Prim Cu Recovered to Con	t	163,719	3,248	38,377	19,089	16,747	13,466	22,316	15,159	15,663	12,675	5,992	987
Head Grade - CuEq	%	0.90	2.28	1.90	0.90	0.82	0.81	1.18	0.82	0.76	0.62	0.28	0.28
Head Grade - Cu	%	0.71	2.22	1.65	0.77	0.63	0.55	0.87	0.57	0.59	0.51	0.25	0.25
Conc Grade Equ	%	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*	*29.76*
Recovery - Nat Cu	%	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*	*0.95*
Native Copper													
Nat Cu Recovered to Con	t	19.750	1.811	8.060	1.889	868	2.185	2.271	1.190	1.012	318	125	21
Recovery	%	100	100	100	100	100	100	100	100	100	100	100	100
Cobalt													
Cobalt Recovered to Con	t	7,286	-	1,445	634	740	882	1,142	873	577	551	379	62
Head Grade	ppm	-	813.6	674.1	323.1	316.6	378.9	449.3	338.2	226.1	280.1	210.4	210.4
Recovery	%	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*	*83.70*
Calc Sulphur / Pyrite (50%)													
Produced	t	275,334	-	58,547	25,462	28,996	33,521	41,234	38,490	25,105	13,515	8,984	1,480
CU Credit (Pyrite)	t	7,161	-	1,488	855	726	550	910	607	638	697	591	97
AU Payable in Conc	oz	1,897	-	-	254	389	-	258	-	370	626	-	-
Content as % of Pyrite	%	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*	*53.00*
Gold													
Produced	oz	77,131	1,555	13,306	8,443	8,996	6,983	8,958	6,862	8,635	8,703	4,028	664
Head Grade	oz/t	0.14	0.33	1.59	0.59	0.45	0.44	0.69	0.53	0.58	0.57	0.25	0.25
Recovery	%	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*	*75.00*
Magnetite													
Produced	t	695,104	-	62,989	73,568	72,374	109,557	127,342	104,342	70,957	43,266	26,365	4,344
Head Grade	%	6.71	3.89	9.04	6.13	6.03	9.13	10.61	8.70	5.91	3.61	2.20	2.20
Recovery	%	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*	*87.42*
Silver													
Produced	oz	58,985	716	-	2,649	9,170	5,977	1,315	2,733	9,814	17,527	7,800	1,285
Commodity Prices													
Copper	AUD/t	7,940	6,424	6,679	7,156	7,093	7,417	8,236	8,435	8,643	8,859	9,081	9,319
Cobalt	AUD/t	41,187	33,009	33,682	38,727	40,704	41,032	41,862	42,913	43,827	44,849	45,718	46,735
Calc Sulphur / Pyrite	AUD/t	151	129	131	141	148	149	152	156	160	163	166	170
Gold	AUD/oz	1,412	1,511	1,501	1,407	1,407	1,401	1,393	1,390	1,385	1,382	1,378	1,375
Magnetite	AUD/t	56	45	46	49	51	53	56	58	61	63	66	69
Silver	AUD/oz	20	19	19	19	19	20	20	21	21	21	22	22

Market Assessment	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	▪ CuDeco has signed an offtake agreement for 60% of the sulphide concentrates, copper and cobalt/pyrite under normal smelter terms. ▪ CuDeco is in continuing negotiations regarding the remaining 40%. Also signed is an offtake agreement for up to 40,000 tonnes per annum of native copper metal with a Chinese smelter. ▪ A Heads of Agreement has been signed for an offtake for the fine magnetite by an Australian magnetite trader.

Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	▪ A financial model was prepared using inputs generated in the Feasibility Study and summarised elsewhere in this Table. ▪ The Base Case inputs from the Feasibility Study generate a net present value of over A$400 million after tax but excluding financing costs. ▪ Sensitivity cases were run on copper price, AUD/USD exchange rate, remaining capital costs, operating costs, copper head grade and recovery and cobalt head grade and recovery. Project is most sensitive to copper price and exchange rate but still maintains a strong positive NPV with adverse changes of 20% to the Feasibility Study Base case values. ▪ The financial model considers capital, operating and revenue cash flows with production commencing in 2016. All costs prior to 1 July 2015 are treated as sunk.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	▪ Conduct and Compensation Agreement has signed with the landholder and remains in place for the 30-year life of the mining leases. ▪ Cultural Heritage Management Plans have been developed and signed with the two major indigenous groups which have claims over the land occupied by the mining leases. Ancillary (Native title) agreements have been signed with both groups and the Queensland government has signed the Section 31 Deed. ▪ Road use agreements have been signed with the Cloncurry Shire Council and with Transport and Main Roads, Queensland.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	▪ There are no identified material naturally occurring risks to the project, and/or the estimation and classification of the Ore Reserves, other than potential for adverse weather conditions including significant heat, rainfall and flood events. Site infrastructure has been designed to withstand 1 in 10,000 year rainfall event. Procedures are also in place to manage abnormal weather conditions and also high heat induced heat-stress in relation to staff exposure; processing equipment is rated to withstand the ambient heat conditions. Bore-water monitoring indicates that there is sufficient groundwater to sustain the project. Additional wet-season harvesting and a pipeline connecting to the town's waste-water supply will assist in mitigating any risk in this regard. ▪ There are no outstanding legal agreements that are likely to have a material impact on the Project. ▪ All necessary government approvals are in place. The mining leases have been granted for a 30-year period, The Environmental Authority has been issued and is up to date. An updated Plan of Operations has been submitted recently and there are no reasonable grounds to believe that it will not be approved within the statutory timeframe.

<table>
<tr>
<td>Classification</td>
<td>
• The basis for the classification of the Ore Reserves into varying confidence categories.
• Whether the result appropriately reflects the Competent Person's view of the deposit.
• The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).
</td>
<td>
▪ Lack of geotechnical information for a small area on the western side of Rocklands South and over the Rainden pit has resulted in categorizing the Measured Mineral Resource in these areas as part of the Probable Ore Reserve.
▪ In all other areas the contributing experts have confirmed that the critical mining, metallurgical, infrastructure, cost, revenue, environmental, social and permitting assumptions are considered to be at a high level of confidence commensurate with Proved and Probable Ore Reserves. The confidence category applied to the Ore Reserves therefore corresponds with the category of the Mineral Resources. The estimated Proved Ore Reserves are the economically mineable part of the Measured Mineral Resources and the estimated Probable Ore Reserves are the economically mineable part of the Indicated Mineral Resources with the exception noted above.
</td>
</tr>
<tr>
<td>Audits or reviews</td>
<td>• The results of any audits or reviews of Ore Reserve estimates.</td>
<td>▪ A Mine Schedule was generated based on the Reserve Estimate, and comparative analysis undertaken against internally generated schedules, with no areas of concern identified and good correlation of summary data observed. Other than this, no other audits or reviews have been conducted by Rocklands Staff on the Ore Reserve estimates, other than QAQC on input data, as covered in other areas of this table.</td>
</tr>
<tr>
<td>Discussion of relative accuracy /confidence</td>
<td>
• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.
• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
• Accuracy and confidence
</td>
<td>
▪ Results from 5m composite sampling of high-resolution blast-hole drilling (3x3m or 3x4m grid) is correlating well with the Resource model, notwithstanding comparative fluctuations between different ore types.
▪ Results of Resource and Grade Control reconciliation to end June 2015:
<table>
<tr><th colspan="7">Conversion of DIG PLAN to stockpiles (mining & ore control)**</th></tr>
<tr><td>Source/Destination</td><td>TONNES TO STOCKPILE</td><td>Cu%</td><td>Co ppm</td><td>Au g/t</td><td>Mag %</td><td>Spec_CuEq%</td></tr>
<tr><td>Dig-plans</td><td>2,277,747</td><td>1.02</td><td>546</td><td>0.17</td><td>2.65</td><td>1.09</td></tr>
<tr><td>Stockpiles</td><td>2,247,410</td><td>1.03</td><td>534</td><td>0.16</td><td>2.76</td><td>1.04</td></tr>
<tr><td colspan="7"></td></tr>
<tr><td>Mining loss (ore loss):</td><td>-1.33%</td><td>loss</td><td colspan="4" rowspan="3">** in the absence of production data, grades and tonnes should be treated as estimates.</td></tr>
<tr><td>Mining dilution (grade loss):</td><td>0.92%</td><td>gain</td></tr>
<tr><td>Overall metal factor:</td><td>99.57%</td></tr>
</table>
<table>
<tr><th colspan="7">Conversion of RESOURCE to digplans (grade control)**</th></tr>
<tr><td>Source/Destination</td><td>TONNES TO STOCKPILE</td><td>Cu%</td><td>Co ppm</td><td>Au g/t</td><td>Mag %</td><td>Spec_CuEq%</td></tr>
<tr><td>Resource</td><td>1,973,532</td><td>1.19</td><td>565</td><td>0.18</td><td>6.05</td><td>1.27</td></tr>
<tr><td>Dig plan</td><td>2,277,747</td><td>1.02</td><td>546</td><td>0.17</td><td>2.65</td><td>1.09</td></tr>
<tr><td colspan="7"></td></tr>
<tr><td>Ore gain/loss:</td><td>15.41%</td><td>gain</td><td colspan="4"></td></tr>
</table>
</td>
</tr>
</table>

	discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Grade gain/loss:	**-14.60%**	**loss**	** in the absence of production data, grades and tonnes should be treated as estimates.
Overall metal factor:	**98.56%**		

Conversion of RESOURCE to stockpiles (grade control, mining & ore control)**						
Source/Destination	TONNES TO STOCKPILE	Cu%	Co ppm	Au g/t	Mag %	Spec_CuEq%
Resource	1,973,532	1.19	565	0.18	6.05	1.27
Stockpiles	2,247,410	1.03	534	0.16	2.76	1.04

Ore gain/loss:	**13.88%**	**gain**	** in the absence of production data, grades and tonnes should be treated as estimates.
Grade gain/loss:	**-13.82%**	**loss**	
Overall metal factor:	**98.14%**		

Internal audits consisted of the following;

- Grade:

  Grade estimates are undertaken using Cube Consulting's Surpac based, macro-driven estimation programme (GCX) and were interrogated using an in-house Excel-based averaging method, with good correlation between the two separately estimated data sets.

- Tonnes

Four points of agreement were interrogated, including pit-survey volume, stockpile survey volume, mining truck logs and geologist spotters truck logs. All data showed good correlation, well with less than 5% differences between each.

Corporate Directory

Directors	Underwriter	Solicitors to the Offer
Dr Noel White - Non-Executive Director (Chairman) Peter Hutchison - Executive Director (Interim Managing Director) Paul Keran - Non-Executive Director Zhijun Ma - Non-Executive Director Hongwei Liu - Non-Executive Director Zhaohui Wu - Non-Executive Director Dr Dianmin Chen - Non-Executive Director Bruno Bamonte - Company Secretary	Paradigm Securities Level 2 1 Alfred Street Sydney NSW 2000 Tel: (61 2) 9222 9111	Moody Legal Pty Ltd PO Box 1390 New Farm Qld 4005 Tel: 0419 719 796
Administration and Registered Office	**Share Registry**	
Unit 33, Brickworks Annex 19 Brolga Avenue Southport, Queensland 4215 Tel: (61 7) 5503 1955 Fax: (61 7) 5503 0288	Advanced Share Registry Services 110 Stirling Highway Nedlands, Western Australia 6009 Tel: (61 8) 9389 8033 Fax: (61 8) 9389 7871	

LIMITED CUDECO
THE NEW FORCE IN COPPER
ACN 000 317 251

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

SAMPLE ONLY – ELIGIBLE SHAREHOLDERS WILL BE SENT A PERSONALISED FORM

Sub-Register	
HIN / SRN	
Number of Eligible Shares held as at the Record Date, 5 pm Perth Time 15 April 2016	
Entitlement to New Shares on 1 Share for every 4 Shares held basis	
Amount payable on full acceptance at $0.80 per New Share:	

A non-renounceable pro-rata Rights Issue of 1 new share (New Share) for every 4 Shares held on the Record Date at an issue price of 80 cents ($0.80) each to raise up to approximately $63.1 million before costs of the issue.

NON-RENOUNCEABLE ENTITLEMENT ISSUE CLOSING 5 PM PERTH TIME ON TUESDAY 3 MAY 2016.

To the Directors
CUDECO LIMITED

1. I/We the above mentioned, being registered on Friday 15 April 2016 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned New Shares in accordance with the enclosed Replacement Prospectus;
2. I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares allotted to me/us and;
3. I/We agree to be bound by the Constitution of the Company.

ENTITLEMENT

(A)	(B)	(C)=(A)+(B)	Total
Number of New Shares applied for *(being not more than the Entitlement shown above)*	Number of additional New Shares applied for *(in excess of the entitlement shown above)*	Total New Shares applied for	Amount Payable (C) * $0.80
			$

METHOD OF ACCEPTANCE

You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.

		Drawer	Bank	Branch	Amount
☐	Please enter cheque or bank draft details				**$**

OR

☐	BPAY	You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.

CONTACT DETAILS

Name:

Telephone:

Email:

NOTE: Cheques should be made payable to **"CUDECO LIMITED"**, crossed **"NOT NEGOTIABLE"** and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than **5 pm Perth Time on 3 May 2016.**

PLEASE REFER OVERLEAF FOR INSTRUCTIONS

CUDECO LIMITED

REGISTERED OFFICE: Unit 34, Brickworks Annex, 19 Brolga Avenue, Southport Queensland 4215
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is $0.80
4. Please complete the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY® or by cheque/bank draft, you confirm that you agree to all of the terms and conditions of the CuDeco Limited Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Replacement Prospectus.

Your cheque/bank draft should be made payable to "**CuDeco Limited"** in Australian currency, crossed "**Not Negotiable**" and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for additional New Shares under the Shortfall Facility.

Contact Details

Please enter your contact details where requested overleaf. These details will only be used in the event that the Share Registry has a query regarding this Entitlement and Acceptance Form.

Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return this Entitlement and Acceptance Form however you are encouraged to return it to the Share Registry for reconciliation purposes – in that case you can post or send by facsimile (details below). Your payment must be received by no later than 5 pm Perth time 3 May 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque/bank draft, your Application must be received by the Share Registry by no later than 5 pm Perth Time on 3 May 2016. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque/bank draft attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate; to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on telephone +61 8 9389 8033 or fax +61 8 9262 3723.

Telephone & Internet Banking – BPAY®

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au.

By Mail

CuDeco Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

or

Hand Delivered

110 Stirling Highway
Nedlands WA 6009