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**Quarterly Report ending 31st March 2016** **29th April 2016**

## ROCKLANDS GROUP COPPER PROJECT (CDU 100%)

# SUBSEQUENT EVENTS POST-QUARTER END

- Restructure of China Minsheng Bank Facility
- Replacement Prospectus for Rights Issue released
- Diesel fired power station commissioned and commencement of energisation of the 6.6kV high voltage (HV) circuits.
- Commissioning procedures have commenced as planned and ore commissioning is now imminent

# QUARTER HIGHLIGHTS

- Rocklands Feasibility Study completed, based on the Stage-1, 10-year mine plan, which is part of a multi-stage development plan for the project.

## PROCESS PLANT CONSTRUCTION AND COMMISSIONING

- Cone crusher installation in the primary crushing circuit has been completed.
- Commissioning of all low voltage equipment now well advanced and HV commissioning underway.

## MINING

- Mining temporarily suspended to conserve funds and align mining rates with process feed scheduling.

## HEALTH AND SAFETY

- There have been no recorded Lost time Injuries (LTI's) for the three months ending March 2016.
- Continual development and refinement of new safety procedures and the Rocklands Safety and Health Management Plan is occurring in all project areas.

## HUMAN RESOURCES

- At the end of March, the Rocklands workforce stood at around 240 personnel, consisting of 107 CuDeco employees and approximately 133 contractors; the CuDeco workforce currently has a residential ratio of 70:30 which directly supports the local community by participation and utilising local services.
- Recruitment of Process Plant staff is underway and will be followed by recruitment of additional mining crews.

## ENVIRONMENT

- Implementing a site wide chemical reporting and information system
- Remote weather station system maintenance and performance monitoring

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- Wet season rehabilitation survey data collection
- Maintenance and calibration of critical monitoring and data collecting equipment
- Quarterly environmental field monitoring of groundwater, surface water and air quality activities
- Preparations for annual third party environmental audit underway

## EXPLORATION

- Low-level exploration has been ongoing at both EPM18054 and EPM25426, including field reconnaissance and bedrock drilling

## CORPORATE

- Mr David J. E. Taylor resigned as Chairman and as a Director
- Appointment of Dr Noel Clarence White as a non-executive independent Chairman of the Board
- ASIC Interim Stop Order Lifted - Rights Issue progresses

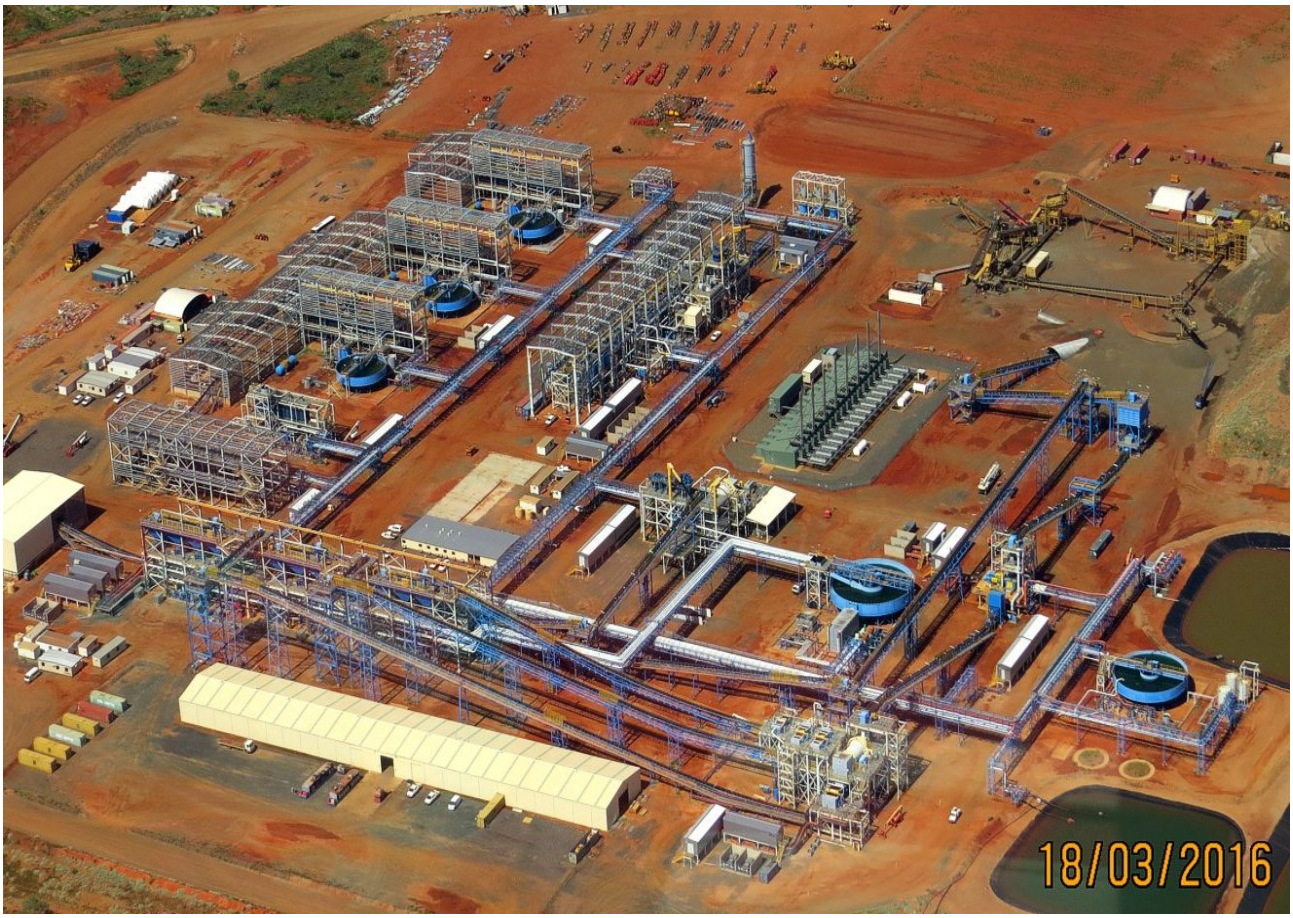


*Figure 1: Aerial view of the process plant taken in mid-March 2016.*

# SUBSEQUENT EVENTS POST-QUARTER END

## Restructure of China Minsheng Bank Facility

Agreement was reached with the China Minsheng Bank (Minsheng) to amend the repayment schedule for its US$65 million finance facilities, representing a key part of the financial arrangements for the Company.

Under the terms of the agreement signed with Minsheng, the changes to the repayment schedule are as follows:

| | **Original Repayment Schedule** | **Revised Repayment Schedule** |
|---|---|---|
| Repayment Date | Repayment amount | Repayment amount |
| **Facility A** | | |
| 30 April 2016 | US$15m | - |
| 31 July 2016 | US$15m | - |
| 31 October 2016 | US$15m | US$20m |
| 31 January 2017 | US$15m | US$40m |
| **Total** | **US$60m** | **US$60m** |
| | | |
| **Facility B** | | |
| 31 January 2017 | US$5m | US$5m |

## Replacement Prospectus for Rights Issue released

The Replacement Prospectus is dated 11 April 2016 and was lodged with ASIC on 11 April 2016. It 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 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.

An updated timetable was released to ASX on 29 April 2016.

## Diesel fired power station commissioned and commencement of energisation of the 6.6kV high voltage (HV) circuits.

Energisation of the high voltage circuits commenced in April and is an important step in the commissioning programme. Testing and commissioning of the low voltage (LV) circuits is almost complete and paves the way for the remainder of the wet commissioning and the commencement of continuous ore feed.

Whilst finances have been challenging and have slowed development in some areas, activity where possible at Rocklands has continued at full pace, particularly in the key areas of the electrical and process control, including the distributed control system (DCS), of the process plant.

# QUARTER HIGHLIGHTS

## Rocklands Feasibility Study completed, based on the Stage-1, 10-year mine plan, which is part of a multi-stage development plan for the project.

The Rocklands Feasibility Study considers the Stage-1, 10-year mine plan, which is part of a multi-stage development plan for the project.

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

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

The Rocklands Feasibility Study (Report) was prepared by Mining Associates Pty Ltd and is referenced by the December 2015 Reserve Statement for the Rocklands Group Copper Project, prepared by Australian Mine Design and Development. The Feasibility Study draws on the numerous studies and reports undertaken by and for CuDeco and covers the Stage-1, 10 year mine plan, which is the initial phase of a multi-stage development and production strategy for Rocklands and is likely to extend beyond the 10 years covered by this Report.

The Report is prepared with the level of detail and structure of a mining project feasibility study and has been reviewed by independent recognised industry professionals, including technical due diligence in the areas of geology, engineering, metallurgy and finance.

Rocklands is a multi-lode 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, and about 17km northwest of Cloncurry, Queensland, Australia.

The Report is based on pit and stockpile survey and audits to end June 2015, as such ore mined subsequent to this period has neither been added to stockpiles, nor depleted from Reserves.

The Report notes that 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.

For full details see ASX announcement 3 March 2016.

## PROCESS PLANT CONSTRUCTION

Many critical path processes and procedures are reaching the final stages of completion. Careful management of costs has required us to minimise expenditure, and this has included measures such as delaying the recruitment of staff, reallocation of site personnel to critical commissioning activities and support from our contractors, suppliers and vendors.

*Figure 2: Replacing of the final rolls crusher with a cone crusher resulted from successful test-work using the Company's mobile crushing plant that clearly showed the benefits in separating coarse native copper (+40mm in size), from the associated ore, achieving up to 95% copper concentrate. Top image shows the cone crusher up close and the below image shows commissioning of the cone crusher.*

*Figure 3: Wet commissioning of continuous gravity jigs.*

Remaining minor site development and infrastructure work is being progressively completed including separate quarrying and crushing of rock to provide much needed road-base product.

The cone crusher installation in the primary crushing circuit (replacing the final rolls crusher) has been commissioned and will be further optimised to provide the required final product quality once production crushing re-commences.

The fuel farm installation has been completed and diesel has been transferred into storage with some transferred to the power station to meet the start-up and HV energisation. Mine and process scheduling is also being finalised, along with health and safety systems, environmental procedures and the recruiting of staff.

Wet-season rains have helped fill the various water storage facilities which are at or near capacity, ensuring site water and process plant requirements can be met, and around 2.4 million tonnes of ore is stockpiled ready for processing, including 375,000 tonnes of crushed high-grade native copper ore.

Other activities during the period include;

- Raw water pumps were commissioned for introduction of water to the plant and the subsequent water commissioning of relevant process equipment in areas such as classifying, spirals and tables.
- Water commissioning of copper concentrate thickening and dewatering area and tails thickening area.
- Half of the conveying system tracking and run out was completed.
- Installation and water commissioning of density gauges completed.
- Preparation for high voltage (HV) power.

## MINING

Mining has been temporarily suspended as a cost-saving measure. The Company has retained select mining staff to facilitate ongoing development activity in preparation of mining.

Current status of mining activities;

- All mining operations suspended August 2015
- Remaining non-essential site infrastructure and pre-strip activities suspended in early March 2016
- Personnel and resources reallocated to plant construction
- Work continuing on mine schedule optimisation
- Comparative mining options being evaluated and nearing completion

## HEALTH AND SAFETY

Current status of Health and Safety activities;

- Review and development of HSE system has been completed
- Review of site training system has identified areas for continual improvement
- The HSE Policies and Procedures are being published on the site IFS system
- No lost time injuries (LTI) have occurred in the quarter ending March 2016
- Audits in specific key safety management areas are continuing
- Continual development of new safety processes and procedures is occurring in all mining areas
- Team Base Risk Management is identifying areas for improvement

## ENVIRONMENT

Environmental awareness programmes are designed to develop greater environmental awareness and participation from staff and contractors during site based activities, and aid in further developing a healthy and proactive culture.

Environment Department highlights included:

- Implementing a site wide chemical reporting and information system
- Remote weather station system maintenance and performance monitoring
- Wet season rehabilitation survey data collection
- Maintenance and calibration of critical monitoring and data collecting equipment
- Quarterly environmental field monitoring of groundwater, surface water and air quality activities
- Preparations for third party environmental audit underway

## HUMAN RESOURCES

At the end of March, the Rocklands workforce stood at around 240 personnel, consisting of 107 CuDeco employees and approximately 133 contractors.

CuDeco continues to make community involvement a priority, through participation in the community and engaging local suppliers of employment and training. We plan to engage candidates from the local area in the next recruitment phase to take advantage of the local skill pool and we continue to encourage locals to apply for vacancies or encourage potential new recruits to relocate to Cloncurry. CuDeco has adopted a no

fly-in/fly-out (FIFO) policy so that it can secure employees from the local area and enjoy the opportunities that come to and from the community, from the Rocklands Project.

The working relationships that we have formed with employment stakeholders in the Mount Isa/Cloncurry area has continued to expand, and also supports our focus on a local workforce. This relationship is beneficial in securing the necessary skills and experience to assist in establishing a strong workforce.

The CuDeco workforce, which has a residential ratio of 70:30.

## EXPLORATION

Low-level exploration has been ongoing at both EPM18054 and EPM25426, including field reconnaissance and bedrock drilling. Numerous anomalous copper zones have been identified and will be followed up in future exploration programmes.

Visible fine-grain native copper (and minor malachite and chalcocite) has been observed in many holes, corresponding with a major target area of interest, however the significance of this development is yet to be determined.

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

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

## CORPORATE

### Resignation of Interim Chairman and Director

On 20th January 2016, Mr David J. E. Taylor resigned as Interim Chairman and as a Director of the Company due to business commitments. The Company would like to sincerely thank Mr Taylor for over six years of dedicated service.

Mr Taylor played an invaluable role helping steer the Company through its transition from explorer to producer, and provided invaluable legal council.

The board wishes to thank Mr Taylor for his contribution to the development of the Company and sincerely wishes David well in his endeavours.

### Appointment of Dr Noel Clarence White as a non-executive independent Chairman of the Board

A new non-executive independent Chairman of the Board, Dr Noel White, was appointed to guide the next stage of the Company’s development.

An award-winning geologist, experienced company director and researcher, Dr White has worked on resource projects across the globe and brings to CuDeco a wealth of detailed technical knowledge and international contacts across the resource industry.

Dr White was educated in NSW, where he graduated with degrees in geology and chemistry and subsequently enjoyed a long and illustrious career with the world's biggest mining company, BHP attaining the position of BHP's Chief Geologist, at which time the discovery of the Cannington silver-lead deposit, approximately 130km from Cloncurry, was made. Since leaving BHP, he has operated his own consulting business and during this time has served on the boards of several gold companies, including Gold Aura Ltd, Norton Gold Fields Ltd and Bullabulling Gold Ltd.

Dr White is also a Director and visiting lecturer at the Ore Deposits and Exploration Centre at Hefei University of Technology, one of China's leading universities. His professional memberships include being a Fellow, Society of Economic Geologists, a Member of the Australian Institute of Geoscientists and a Fellow of the Society for Geology Applied to Mineral Deposits.

## ASIC Interim Stop Order Lifted - Rights Issue free to progress

On 12 February 2015, the Australian Securities and Investment Commission ("ASIC") issued an interim stop order in respect of the Prospectus dated 5 February 2016 ("Prospectus") due to concerns in relation to certain disclosures in the Prospectus.

The issues were subsequently resolved and the Replacement Prospectus for the Rights Issue was released 11 April 2016.

## Economic Geology Research Centre (EGRU) visits Rocklands

During March the Company hosted a group from the Economic Geology Research Centre (EGRU), College of Science, Technology and Engineering, James Cook University, Townsville, which conducted a three day workshop in the Cloncurry region. The focus of the technical sessions was the mineral systems in the Cloncurry region, including IOCG, Broken Hill type, SEDEX and skarn deposits. Core viewing and field trips were conducted at various mines and exploration groups, and included a visit to Rocklands.

The tour was very well organised and executed by the Rocklands team led by CuDeco's Senior Mine Geologist Michael Hawtin, who also presented the Rocklands Project at the Group's Presentation Workshop.

The Director of the EGRU, Professor Zhaoshan Chang, congratulated CuDeco and commented on the day: "Representative drill cores were spread in a good space for the 47 participants with clear signage. The stops were carefully selected. Some samples were made available, which is much appreciated by the visiting geologists. The time for each stop was nicely controlled. It was a great tour. We congratulate you for having a good team."

Visits such as these give a much needed boost to the profile of the Rocklands Project and by extension CuDeco, in an environment of positive and cooperative peer-to-peer information sharing.

For and on behalf of the Board.

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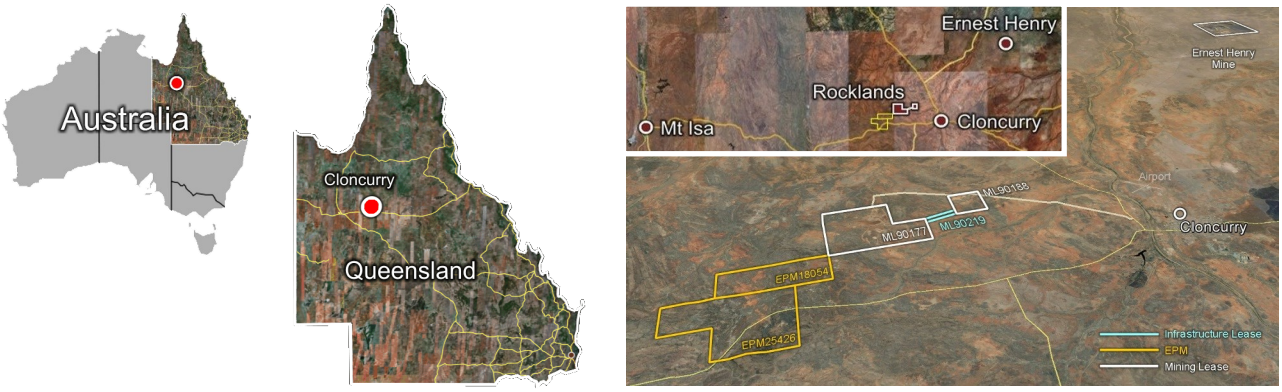
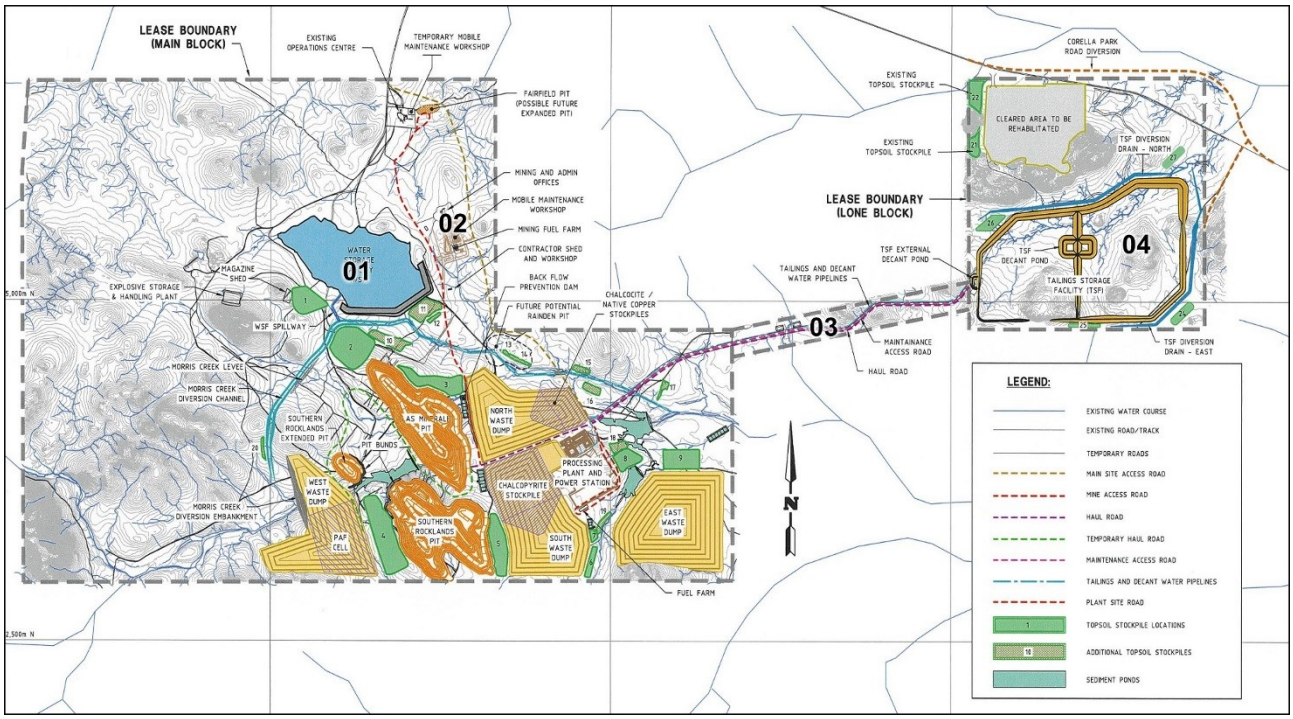



*01 - Water Storage Facility (WSF)*
*02 - Maintenance Workshop & Mining Office*
*03 - Infrastructure Corridor (Haul Road and Pipelines)*
*04 - Tailings Storage Facility (TSF)*
*05 - Morris Creek Diversion Channel*
*06 - Morris Creek Diversion Dam*
*07 - Topsoil Stockpiles*
*08 - West Waste Dump (and PAF cell)*
*09 - Rocklands South Extension pit (PAF pond)*
*10 - Las Minerale Open-cut, LM1, LM2 & LM3 Pits*
*11 - Southern Rocklands Pit (and SR Starter Pit)*
*12 - North Waste Dump*
*13 - Mine Access Road*
*14 - Primary Ore Stockpile*
*15 - South Waste Dump*
*16 - Run of Mine (ROM) Pad*
*17 - Native Copper and Chalcocite Stockpile*
*18 - Process Plant including Crushing Circuit*
*19 - Haul Road*
*20 - East Waste Dump*
*21 - Rainden Pit*

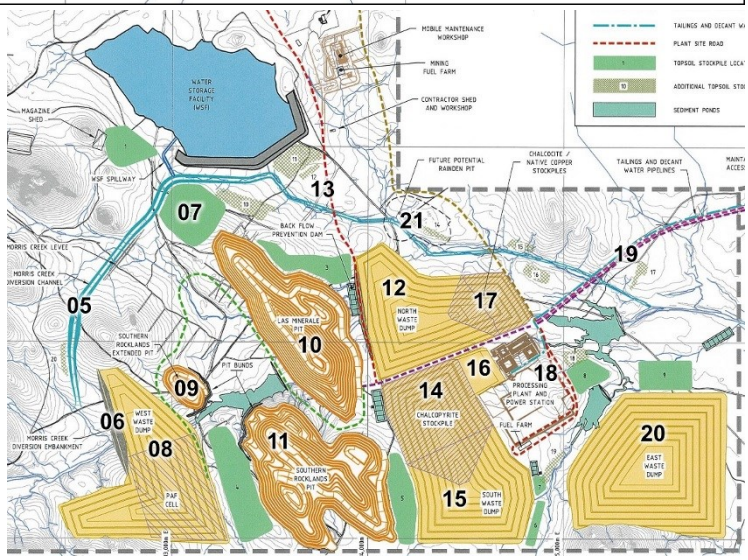
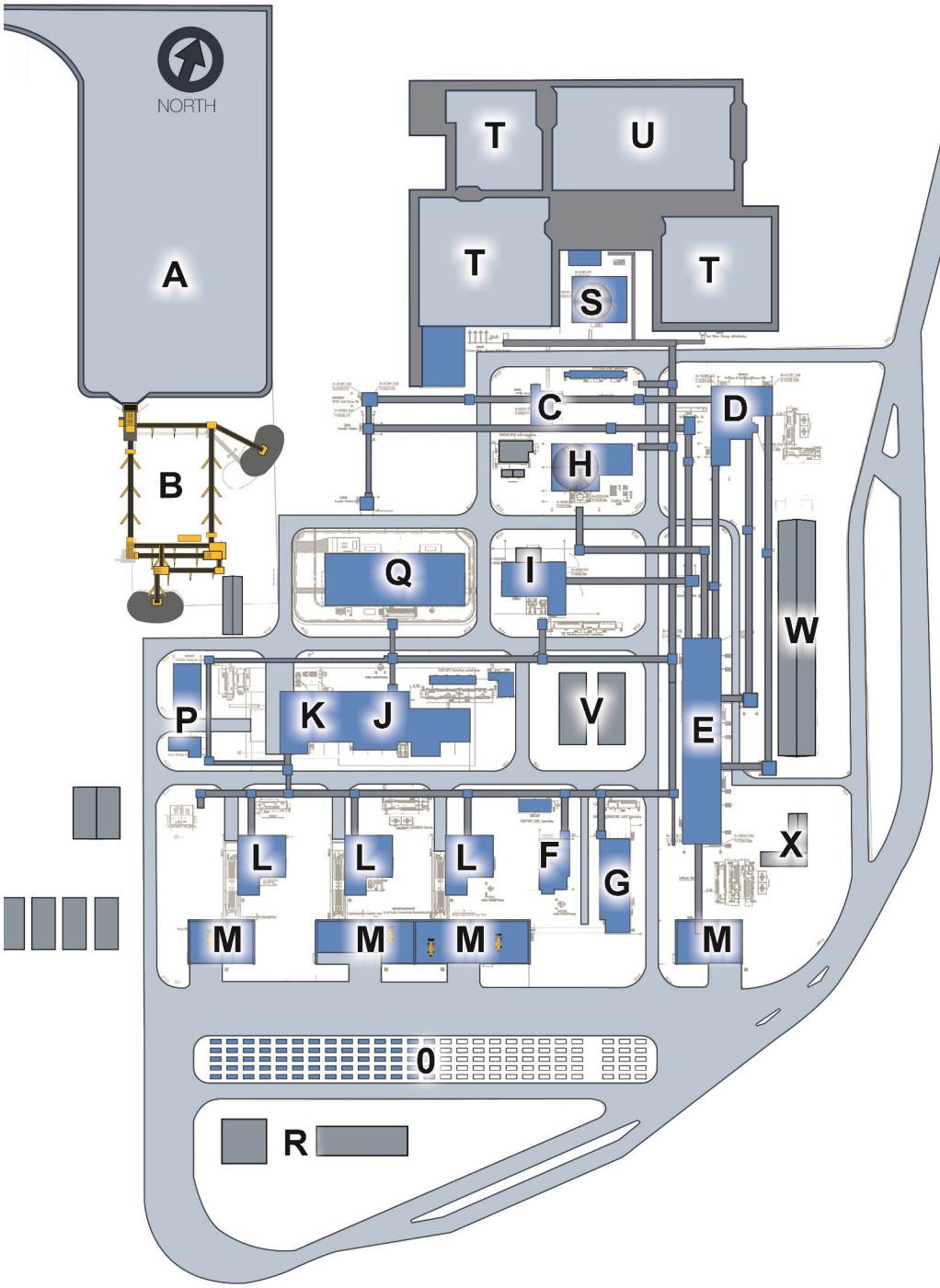



*Figure 4: General Arrangement plans and location references.*




**Legend:**

**A** ROM pad

**B** Crushing Circuit

**C** High Pressure Grinding Rolls (HPGR)

**D** Scrubber Circuit

**E** Gravity Jigs

**F** Spiral Concentrator

**G** Table Separator

**H** Gravity Thickener

**I** Ball Mill

**J** Flotation Plant

**K** Magnetic Separation

**L** Thickener/Filtration

**M** Concentrate Storage

**O** Final Product Container Storage

**P** Reagents

**Q** Power Station

**R** Fuel Storage

**S** Tailings Thickener

**T** Process Ponds

**U** Environmental Control Pond

**V** Process Office

**W** Stores Warehouse

**X** Project Office

*Figure 5: Process Plant - schematic location plan with key areas noted in approximate process flow-sheet order*

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

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

| Resource category | Assumed mining method | Cut-off grade[1] | | Tonnes | Estimated Grade | | | | Copper Equivalents | | Contained Metal Equivalent | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CuCoAu[2] | Cu | Mt | Cu | Co | Au | Mag | CuCoAu[2] | CuEq[3] | Cu | CuCoAu[2] | CuEq[3] |
| | | % | % | | % | ppm | ppm | % | % | % | Mlb | Mlb | Mlb |
| Measured | Open pit | 0.2 | 0.1 | 38.4 | 0.64 | 309 | 0.14 | 5.8 | 0.9 | 1 | 544 | 729 | 814 |
| | Underground | 0.6 | 0.1 | 1.3 | 1.36 | 366 | 0.22 | 2 | 1.6 | 1.7 | 39 | 47 | 48 |
| | | | Sub Total | 39.7 | 0.67 | 311 | 0.14 | 5.7 | 0.9 | 1 | 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 | 0.92 | 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 | 0.8 | 0.9 | 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** | **0.64** | **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 | 1 | 7 | 9 | 9 |
| | | | Sub Total | 0.6 | 0.6 | 232 | 0.21 | 2.7 | 0.8 | 0.9 | 8 | 11 | 12 |
| Total | Open pit | 0.2 | 0.1 | 48 | 0.58 | 298 | 0.13 | 6 | 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** | **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*

| Resource | Cut-off - either | | Tonnes | Estimated Grade | Contained Metal |
|---|---|---|---|---|---|
| category | Mag | Co | | Mag | Magnetite |
| | % | ppm | Mt | % | Mt |
| Measured | 10 | 100 | 0.3 | 11.4 | 0.04 |
| Indicated | 10 | 100 | 0.1 | 19.6 | 0.02 |
| Inferred | 10 | 100 | 177.9 | 15.1 | 26.95 |
| **Total** | | | **178.3** | **15.1** | **27** |

*This information is extracted from the report entitled "Executive Summary - Feasibility Study, Rocklands Group Copper Project, Queensland, Australia" created on 3 March 2016 and released to the ASX on the same date. The Report is also available to view on www.cudeco.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

**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 |

*"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."*

## Competent Person Statement

*Information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by Geoday Pty Ltd, an entity engaged by Cudeco to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and is a Member of the Australian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Day consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report insofar as it relates to Metallurgical Test Results and Recoveries, is based on information compiled by Mr Peter Hutchison, MRACI Ch Chem, MAusIMM, a full-time executive director of CuDeco Ltd. Mr Hutchison has sufficient experience in hydrometallurgical and metallurgical techniques which is relevant to the results under consideration and to the activity which he is undertaking to qualify as a competent person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.*

### Rocklands style mineralisation

*Dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.*

### Disclaimer and Forward-looking Statements

*This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.*

### New information

*The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

## Tenement Information

Further to the requirements of ASX Listing Rule 5.3.3, CuDeco Limited provides the following information regarding its mining tenements as part of its quarterly reporting obligations.

- The mining tenements held at the end of March 2016 and their location;

| Tenement reference | Project | Company interest | Location |
|---|---|---|---|
| ML90177 | Rocklands | 100% | Cloncurry, NW Qld |
| ML90188 | Rocklands | 100% | Cloncurry, NW Qld |
| ML90219 | Rocklands | 100% | Cloncurry, NW Qld |
| EPM18054 | Morris Creek | 100% | Cloncurry, NW Qld |
| EPM25426 | Camelvale | 100% | Cloncurry, NW Qld |

- The mining tenements acquired and disposed of during the March 2016 quarter and their location.

**Nil**

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the March 2016 quarter.

**Nil**

- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the March 2016 quarter.

**Nil**

*Rule 5.5*

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

CUDECO LIMITED

| ACN | Quarter ended ("current quarter") |
|---|---|
| 000 317 251 | 31 March 2016 |

## Consolidated statement of cash flows

| | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| **Cash flows related to operating activities** | | | |
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (49) | (137) |
| | (b) development | (4,681) | (16,483) |
| | (c) production | - | - |
| | (d) administration | (1,089) | (3,372) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | - | 57 |
| 1.5 | Interest and other costs of finance paid | - | (1,472) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | **Net Operating Cash Flows** | (5,819) | (21,407) |
| | **Cash flows related to investing activities** | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | (4,443) | (13,971) |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | 133 | 133 |
| 1.10 | Loans to other entities | - | - |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | (Increase)/Decrease in security deposits | - | (4,212) |
| | **Net investing cash flows** | (4,310) | (18,050) |
| 1.13 | Total operating and investing cash flows (carried forward) | (10,129) | (39,457) |

+ See chapter 19 for defined terms.

| | | | |
|---|---|---|---|
| 1.13 | Total operating and investing cash flows (brought forward) | (10,129) | (39,457) |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 30,001 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | 8,333 |
| 1.17 | Repayment of borrowings | - | (2,000) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – Borrowing costs | - | - |
| | Other – Shares acquired under employee share plan | - | - |
| | **Net financing cash flows** | **-** | **36,334** |
| | **Net increase (decrease) in cash held** | **(10,129)** | **(3,123)** |
| 1.20 | Cash at beginning of quarter/year to date | 10,746 | 3,572 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | 168 |
| 1.22 | **Cash at end of quarter** | **617** | **617** |

## Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter $A'000 |
|---|---|---|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 162 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Directors fees and salaries 162

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

| | | Amount available $A'000 | Amount used $A'000 |
|---|---|---|---|
| 3.1 | Loan facilities (USD facility) | 90,000 | 83,000 |
| 3.2 | Credit standby arrangements | N/A | N/A |

## Estimated cash outflows for next quarter

| | | $A'000 |
|---|---|---|
| 4.1 | Exploration and evaluation | 30 |
| 4.2 | Development | 2,500 |
| 4.3 | Production | - |
| 4.4 | Administration | 1,200 |
| | **Total** | **4,230** |

## Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Cash on hand and at bank | **617** | 617 |
| 5.2 | Deposits at call | **-** | 9,019 |
| 5.3 | Bank overdraft | **-** | |
| 5.4 | Other (provide details) | **-** | |
| | **Total: cash at end of quarter** (item 1.22) | **617** | 10,746 |

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

| | | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|---|---|---|---|---|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | | Nil | | |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | | Nil | | |

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

| | | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|---|---|---|---|---|
| 7.1 | **Preference +securities** *(description)* | | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | **+Ordinary securities** | 315,422,559 | 315,422,559 | | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 | **+Convertible debt securities** (*description)* | | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|---|---|---|---|---|---|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | **Options** *(description and conversion factor)* | - | - | ***Exercise price*** | ***Expiry date*** |
| 7.8 | Issued during quarter | - | - | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | **Debentures** *(totals only)* | | | | |
| 7.12 | **Unsecured notes** *(totals only)* | | | | |

# Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~/does not* *(delete one)*~~ give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2016

(~~Director/~~Company secretary)

Print name: Bruno Bamonte

# Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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