

Appendix 3B

**New issue announcement,
application for quotation of additional securities and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

CUDECO LIMITED

ABN

14 000 317 251

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1,200,000 options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	600,000 options are exercisable at \$2.50 each between 15 December 2010 and 15 September 2013. (See Attachment A) 600,000 options are exercisable at \$2.50 each between 15 September 2011 and 15 September 2013. (See Attachment B)
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No.

+ See chapter 19 for defined terms.

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5	Issue price or consideration	Nil	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	600,000 - Issue of options under the CuDeco Ltd Employee Option Plan. 600,000 - Issue of options to consultants for services provided.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	15 September 2010	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		136,065,740	Ordinary fully paid shares
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	250,000	Options exercisable at \$6.00 each on or before 7 November 2010
		100,000	Options exercisable at \$3.50 each on or before 25 November 2011
		300,000	Options exercisable at \$3.50 each on or before 10 June 2012
		2,400,000	Options exercisable at \$4.00 each on or before 31 July 2012
		200,000	Options exercisable at \$4.50 each on or before 31 July 2012
		2,700,000	Options exercisable at \$6.50 each on or before 31 December 2012
		100,000	Options exercisable at \$4.50 each between 22 February 2011 and 22 February 2013
		200,000	Options exercisable at \$2.50 each between 13 September 2011 and 13 September 2013
		600,000	Options exercisable at \$2.50 each between 15 December 2010 and 15 September 2013
		600,000	Options exercisable at \$2.50 each between 15 September 2011 and 15 September 2013

+ See chapter 19 for defined terms.

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

There are no plans to pay dividends at this stage.

Part 2 - Bonus issue or pro rata issue

Not Applicable

- 11 Is security holder approval required?

- 12 Is the issue renounceable or non-renounceable?

- 13 Ratio in which the ⁺securities will be offered

- 14 ⁺Class of ⁺securities to which the offer relates

- 15 ⁺Record date to determine entitlements

- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

- 17 Policy for deciding entitlements in relation to fractions

- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

- 19 Closing date for receipt of acceptances or renunciations

- 20 Names of any underwriters

- 21 Amount of any underwriting fee or commission

- 22 Names of any brokers to the issue

⁺ See chapter 19 for defined terms.

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|----|---|--|
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | ⁺ Despatch date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(*tick one*)

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(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)
Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the ⁺securities to be quoted, it has been provided at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Secretary

Date: 21 September 2010

Print name:

Lisa Rowe

⁺ See chapter 19 for defined terms.

Attachment A

1. Each Option entitles the holder to subscribe for and be allotted one Share. The exercise price of each Option is \$2.50.
2. The Options are exercisable from 15 December 2010 to prior to 5.00pm WST on 15 September 2013 (“the Expiry Date”) by notice in writing to the Directors accompanied by payment of the exercise price as detailed in (1) above.
3. Any Options not exercised at Expiry Date will lapse.
4. The Options must not be assigned, transferred or otherwise dealt with except with the approval of the Board or in the case of a takeover offer or a Scheme of Arrangement.
5. The Options will not be listed on The Australian Securities Exchange (ASX), although the Company will apply for the official quotation of any shares which are issued as a result of exercise of Options.
6. Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
7. All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company’s fully paid ordinary shares.
8. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, the Company will send a notice to each optionholder at least nine business days before the record date for any proposed issue of capital on a pro rata entitlement offer basis. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
10. In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option-holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.

+ See chapter 19 for defined terms.

Attachment B

Key Terms and Conditions of Options issued under CuDeco Ltd Employee Option Plan

- (a) Each Option entitles the holder to subscribe for and be allotted one Share. The exercise price of each Option is \$2.50.
- (b) The Options are exercisable from 13 September 2011 to prior to 5.00pm WST on 13 September 2013 (“the Expiry Date”) by notice in writing to the Directors accompanied by payment of the exercise price as detailed in (1) above.
- (c) Any Options not exercised at Expiry Date will lapse.
- (d) The Options must not be assigned, transferred or otherwise dealt with except with the approval of the Board or in the case of a takeover offer or a Scheme of Arrangement.
- (e) The Options will not be listed on The Australian Securities Exchange (ASX), although the Company will apply for the official quotation of any shares which are issued as a result of exercise of Options.
- (f) If an optionholder ceases employment with the Company or otherwise ceases to provide services to the Company, Options held at that time will lapse unless exercised within thirty days of cessation of employment (or cessation of service), except where employment/service has ceased as a result of special circumstances such as death or disablement.
- (g) Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
- (h) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company’s fully paid ordinary shares.
- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, the Company will send a notice to each optionholder at least nine business days before the record date for any proposed issue of capital on a pro rata entitlement offer basis. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (j) There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
- (k) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option-holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
- (l) The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

+ See chapter 19 for defined terms.