

ROCKLANDS COPPER PROJECT (CDU 100%)

HIGHLIGHTS

HIGHLIGHTS POST-QUARTER END

- Continuous zone of semi-massive to massive sulphides (high-grade primary ore) confirmed at Rocklands South - continues to be extended, including results for DODH471 and visual estimates for DODH472 and DODH473
- Massive coarse native copper agglomerates unearthed near surface in central Las Minerale - test crushing investigates possibility of producing product suitable for direct shipping ore (DSO)
- High-grade chalcocite ore suitable for direct shipping ore (DSO) excavated from Las Minerale starter pit - estimated grades range from 20-60% copper
- Appointment of Mr. Zhaohui (Tony) Wu as a Non-executive Director of the Company.

QUARTER HIGHLIGHTS

MINING

- Mining of the first-stage of the Las Minerale main pit completed - LM Starter Pit phase-1 commences and reaches top of coarse native copper zone
- Test crushing of large masses of native copper ore using the company's mobile crushing circuit proves highly successful - exceeding Company expectations

DEVELOPMENT

- Key areas under development during the Quarter include;
 1. *Las Minerale box-cut excavation*
 2. *Las Minerale, Rocklands South and Rocklands South Extension starter-pits*
 3. *Morris Creek Diversion Channel*
 4. *Major access roads, haul roads and ancillary infrastructure*
 5. *Water Storage Facility (WSF)*
 6. *Crushing circuit undergoing final audit and minor completion tasks.*
 7. *Process Plant - delivery of components and construction ongoing*
 8. *Run of Mine (ROM) pad construction nearing completion*

EXPLORATION

- Significant new zone of high-grade primary copper mineralisation continued to be defined at Rocklands South, with numerous high-grade intersections reported during the quarter.
- Preparations for resource upgrade underway, to include Fairfield prospect and new high-grade zone identified at Rocklands South
- Preliminary revised optimisation studies at Rocklands South, offer several options for improved economics when incorporating new high-grade sulphide discovery into Southern Rocklands Pit.
- New Copper Discovery - Bedrock Drilling Intersects Significant Zone of Copper Mineralisation 2km West of Rocklands South

CORPORATE

- CuDeco signs two binding contracts with Sinosteel;
 - EPC (Engineer, Procure and Construct) contract for the Rocklands Power Station to provide power for the 3 million tonne per annum mineral processing plant
 - Structural, Mechanical and Piping (SMP) installation at the Rocklands Group Copper Project. The "TURNKEY" contract includes the complete installation of the entire Mineral Processing Plant and ancillaries



Figure 1: Mining of phase-1 of the Las Minerale Starter Pit commenced during the quarter.

HIGHLIGHTS POST-QUARTER END

Continuous zone of semi-massive to massive sulphides (high-grade primary ore) confirmed at Rocklands South - continues to be extended, including recent results for DODH471

Significant zones of high-grade copper mineralisation being intersected in the Rocklands South infill drilling programme. Copper grades are multiples of those indicated in the resource estimate model, which was calculated based on drilling that did not intersect the areas in question.

The most recent results received are from diamond drill hole DODH471, that was drilled from the south of the orebody and intersected a significant zone of high-grade copper mineralisation on the foot-wall contact side of the orebody.

Current diamond drilling continues to intersect some of the highest grades yet seen at Rocklands South, and in places even higher grades of primary copper mineralisation than have been seen at the flagship Las Minerale resource.

Detailed results for DODH471;

DODH471	Width	Cu Eq	Cu %	Co ppm	Ag g/t	Au g/t	From	To
Intersection	1	28m @ 3.49%	3.13%	438	3.00	<i>pending</i>	237m - 265m	
<i>including</i>		10m @ 8.04%	7.30%	946	7.70	<i>pending</i>	240m - 250m	

Cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste. Ag (silver) results not included in above copper equivalent (CuEq) calculation.

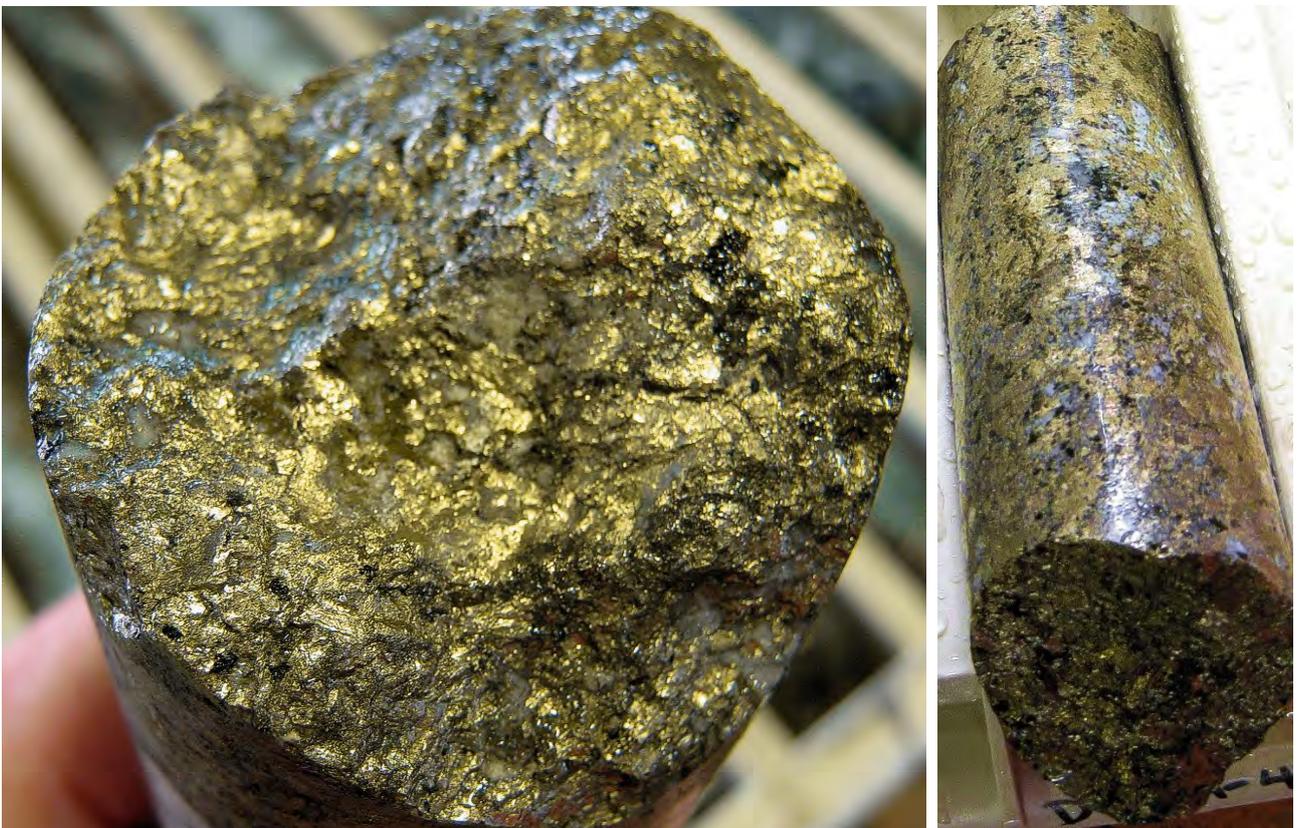


Figure 2: Diamond drill core DODH471 (wet core) showing massive to semi-massive chalcopyrite, chalcocite and pyrite in calcite/quartz breccia at approximately 246m (left) and 245m (right) - chalcopyrite contains 34.6% copper metal, chalcocite contains 78.9% copper metal and pyrite is typically associated with cobalt at Rocklands.

Interpretations are underway to determine if we should test deeper to see whether this new ultra-high grade mineralised system continues at depth as a potential feeder to the Rocklands mineralising system, as we appear to have entered into a completely different style of mineralisation not seen before at either Rocklands South or indeed Las Minerale at such depths...see ASX announcement 16th May, 2013.

Economic studies indicate this new zone is likely to be included in a revised optimised open-pit design, or would provide a high-grade ore source for potential underground options that may be pursued from the base of the planned Southern Rocklands Pit in future years.

Previously, Rocklands South has only seen limited drilling at the depths and areas currently being targeted, and there has been no drilling at depth on the southern side of the orebody where significant grades are now being confirmed to exist and an apparent widening of mineralisation is occurring.

The most recent diamond drill hole to be completed (DODH473) was drilled from the south of the orebody and intersected a significant zone of high-grade sulphide copper mineralisation on the southern contact of the orebody between 35-50m up-dip from DODH472...see ASX announcement 17th July 2013.

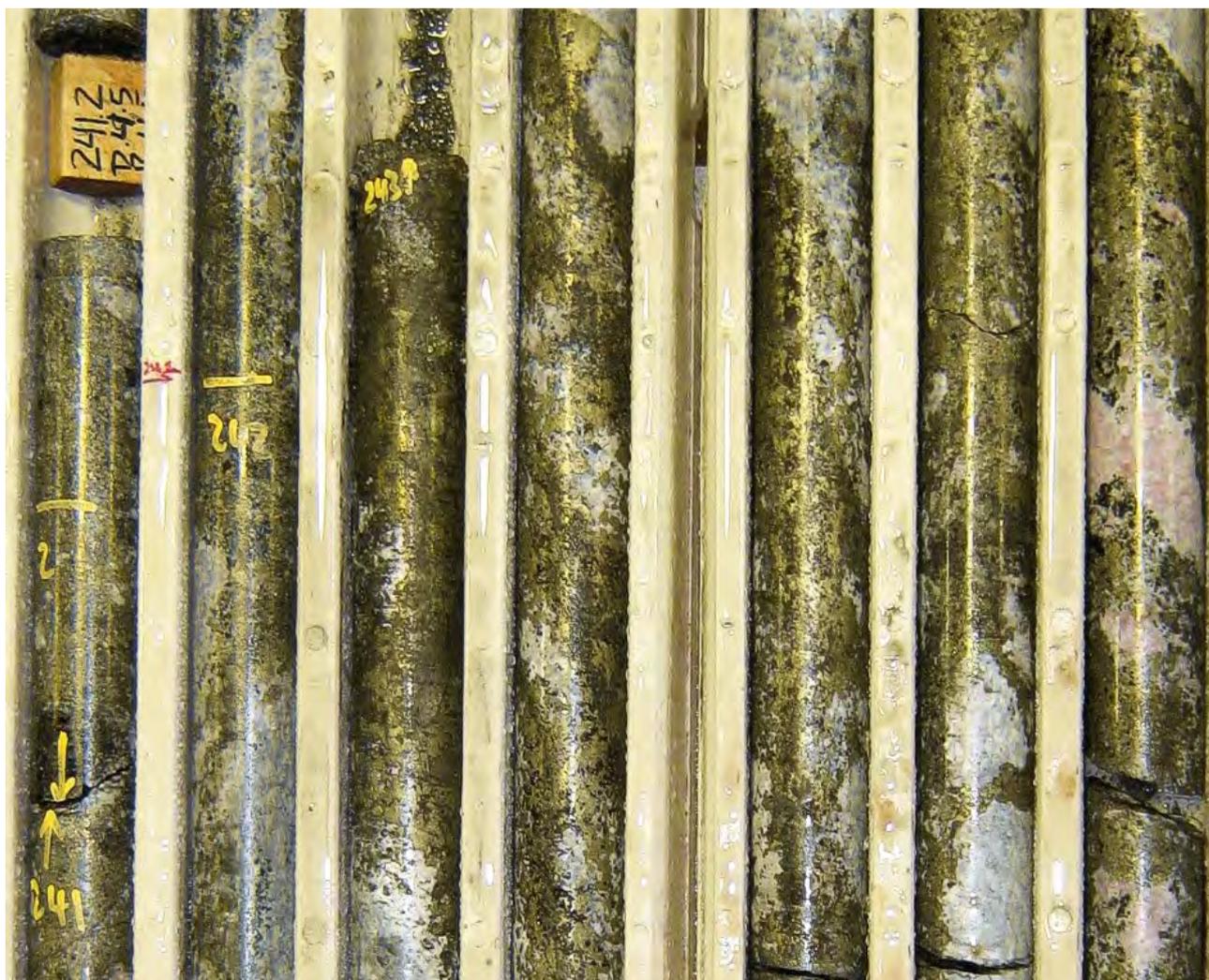


Figure 3: Diamond drill core DODH471 (wet core) showing massive sulphides chalcopyrite and pyrite in calcite/quartz breccia from approximately 241-247m that assayed 6m @ 9.5% Cu - chalcopyrite contains 34.6% copper metal and pyrite is typically associated with cobalt at Rocklands.



Figure 4: Diamond drill core DODH472 (wet core) showing massive chalcopyrite and pyrite in calcite/quartz breccia at approximately 187m - chalcopyrite contains 34.6% copper metal and pyrite is typically associated with cobalt at Rocklands. Hole is currently drilling ahead in mineralisation.



Figure 5: Diamond drill core DODH472 (wet core) showing semi-massive to massive chalcopyrite and pyrite in calcite/quartz breccia from approximately 188.5m to 189.5m - chalcopyrite contains 34.6% copper metal and pyrite is typically associated with cobalt at Rocklands. Hole is currently drilling ahead in mineralisation.

DODH472 intersected **47m @ 5% chalcopyrite**, including **8m @ 15% chalcopyrite** (from 185m) based on geologist visual estimate of copper sulphide minerals, confirmed with XRF analysis - assay results awaited.

To date a continuous new high-grade zone of approximately 75m (strike) x 150m (dip) x 20m (width) has been defined with a drilling density designed to provide high-degrees of geological/geochemical confidence required to support measured category in a planned upgrade to the Rocklands South resource estimate.

Average grades within interpreted ore zones, from the current Rocklands South drilling programme (589m drilled within mineralised zone);

- **High-grade zones = 4.0% Cu** (based on 1% Cu cut-off, no internal waste)
- **Mineralised zones = 1.7% Cu** (based on 0.2% Cu cut-off, 3m allowance for internal waste)

Current diamond drilling continues to intersect some of the highest grades yet seen at Rocklands South, and in places even higher grades of primary copper mineralisation than have been seen at the flagship Las Minerale resource.

Economic studies indicate this new high-grade zone is likely to be included in a revised optimised open-pit design for Rocklands South, or may provide a high-grade ore source for potential underground options that may be pursued from the base of the planned Southern Rocklands Pit in future years.

Previously, Rocklands South has only seen limited drilling at the depths and areas currently being targeted, and there has been no drilling at depth on the southern side of the orebody where significant grades are now being confirmed to exist and an apparent widening of mineralisation is occurring.

Massive coarse native copper agglomerates being unearthed near surface in central Las Minerale

Large agglomerates of native masses are being unearthed in central Las Minerale associated with an interpreted contact between high-grade chalcocite ore and moderate to high-grade green clays thought to be decomposing dolerites. The geological contact is interpreted to exist along the entire length of the Las Minerale central zone, including in stacked sequences in some areas.

The native copper agglomerates also occur in east-west faults that cross-cut the main ore direction and appear to have played an important role in the enrichment process. In addition to the large masses, smaller native copper nuggets, dendritic fingers and plate-like sheets occur throughout the area being accessed, ranging in size from 5-200mm.

Associated with some of the native copper masses is a soft sooty form of chalcocite that literally falls out of voids associated with the native copper like confetti as the excavators rip into the masses that break apart with surprising ease (see figure 5 below right).

Ore grades in areas above the coarse native copper zone are higher than predicted by the resource model, which for the most part was expected by the Company.



Figure 6: Examples of separate large coarse native copper agglomerates currently being unearthed at the Las Minerale Starter Pit, just 15-20m below surface. Image to the left shows high-grade native copper and cuprite agglomerate that breaks up with ease during free-dig excavation. The image to the right shows soft sooty chalcocite crystals (blue-grey colour) falling out of voids within coarse native copper like confetti down the face of the excavation...it is thought that during exploration drilling, much of this soft sooty chalcocite washed out of the vuggy drill-core due to high pressures required to maintain water returns during drilling, and has not been included in assay results. Native copper contains 99.65% Cu, cuprite contains 88.8% Cu and chalcocite contains 79.85% Cu.



Figure 7: Native copper stockpile - in sequence diamond saw cutting of small sample wedge from large boulder that was visually "unexciting" but found to contain significant copper including native copper (99.65% copper), cuprite (88.8% copper) and chalcocite (79.85% copper).

Significant quantities of additional ore that was NOT originally included as ore in the mining schedule, has also been diverted to stockpiles for later processing that was previously destined for the waste dumps. Average grades of the high-grade oxide zone that does not include native copper is estimated at 5-8% CuEq, with localised areas returning grades as high as 20% CuEq.

Mining of ore from Las Minerale continued up to mid April, when sufficient native copper ore had been accessed and stockpiled for use in commissioning of the crushing circuit, after which mining activities returned to the original mining schedule.

The Rocklands Crushing Circuit consists of a primary Jaw Crusher and two giant Rolls Crushers capable of treating more than 500 tonnes of ore per hour. The crusher is designed to scalp off oversize native copper in the +38mm fraction, with the balance of undersize going to the High Pressure Grinding Rolls (HPGR), then gravity Jig for the balance of native copper removal, prior to proceeding to the remainder of the Mineral Processing Plant, due for commissioning early 2014.

The Rocklands Process Plant has been designed specifically to treat native copper in all fraction sizes expected at Rocklands, with German designed and manufactured alljig® native metal recovery systems included at a cost of more than A\$20m. This same alljig® process plant is used globally by companies for the recovery of primary and native metals including BHP Billiton and Anglo American.

The process plant can treat up to 20% Cu (200kg per tonne Cu) in the form of native copper, whilst concurrently processing oxide, supergene and primary sulphide ores in a continuous, single-circuit copper recovery process flow-sheet.

Test-work carried out by independent laboratories using a full scale pilot plant, based on the Rocklands Process Plant design configuration, recovered 98% of the +1mm native copper fraction and 94.1% of the less than 1mm native copper fraction. Perhaps not surprising when you consider native copper has a density of 8.9 tonnes per cubic metre compared to the waste (gangue) material that has a density of just 2.6 tonnes per cubic metre...a significant difference that makes separation of native copper from the waste using gravity a very simple process.

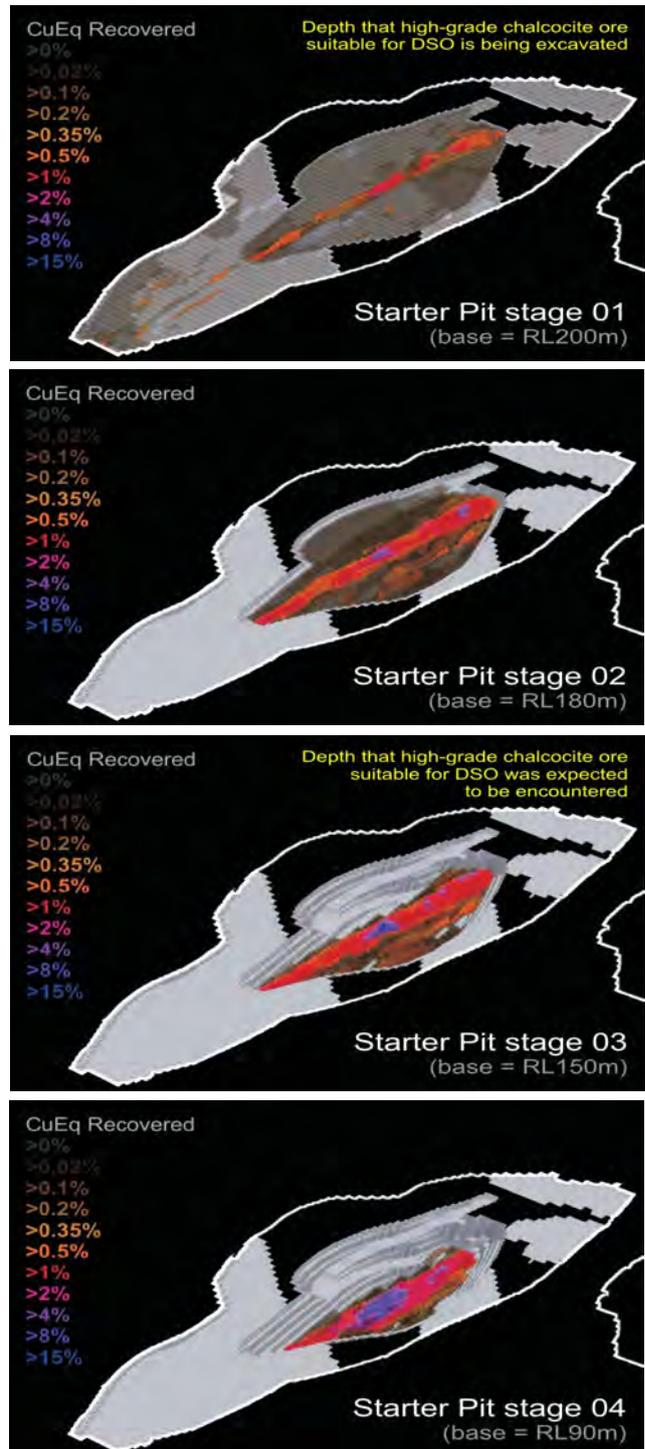


Figure 8: The first stage of mining at Rocklands concentrates on the “Las Minerale Starter Pit”, which is the smaller pit within the larger LM pit shown above. The top image shows the approximate present depth of the Starter Pit, with planned stages 2-4 designed to be completed over 12-18 months. High-grade chalcocite mineralisation suitable for DSO was not expected to be intersected until stage 3 above.

High-grade Chalcocite Ore Suitable for Direct Shipping Ore (DSO) Excavated From Las Minerale Starter Pit - Estimated Grades Range From 20-60% Copper

In a surprising development, large zones of high-grade chalcocite ore were mined from the base of Stage 1 of the Las Minerale Starter Pit, at depths approximately 50m above where this style of mineralisation is known to exist and was first expected to be encountered in significant quantities.

Similar material was identified during resource drilling from 50m to over 170m depth, mostly from Reverse Circulation (RC) drilling, but not from the shallow depths now being accessed.

The zones include high percentages of the soft sooty style of chalcocite mineralisation, which is relatively friable and breaks up easily when rubbed between the fingers. It is thought that much of this material was not captured for assay during diamond drilling due to the high pressures required to maintain water returns during drilling of fractured or vuggy rock. It is thought the high water pressure may have washed out much of the soft sooty chalcocite into the surrounding vuggy rock matrix, or was discarded with the water returns and drill spoils rather than being retained within the solid diamond drill core.

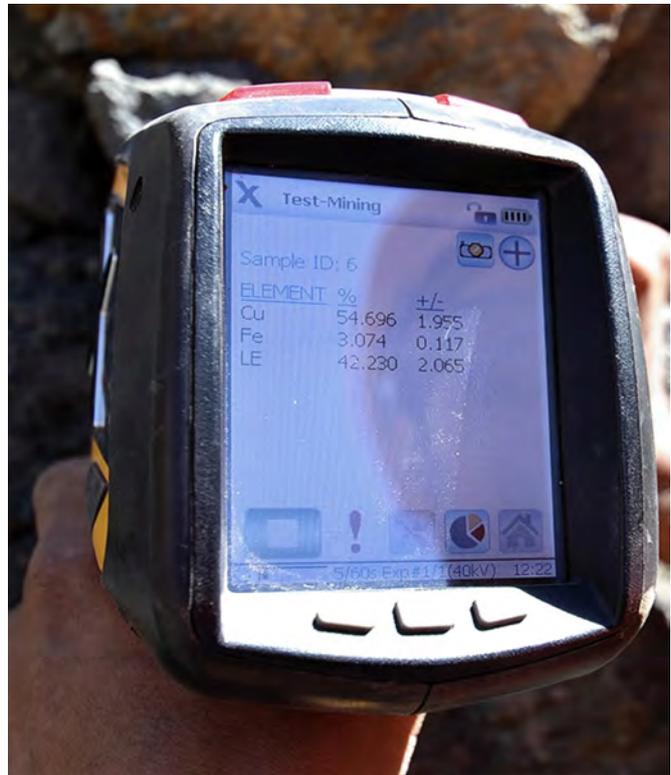


Figure 9: High-grade chalcocite suitable for Direct Shipping Ore (DSO) being excavated from the base of the Las Minerale Starter Pit, with estimated grades ranging from 20-60% copper, based on visual estimates, confirmed with XRF analysis. Image of XRF showing 54.7% Cu result from the face of a large chalcocite boulder.



Figure 10: Native copper masses and agglomerates exposed on the base of the Las Minerale Starter Pit.

Mining studies will determine how much of this high-grade chalcocite material is likely to be accessed via the current mining schedule, which is currently excavating the entire starter pit area down to RL200m bench level (approximately 18-20m below surface in central of Las Minerale).

The high-grade material appears to be wide-spread and is estimated to be multiples of the grades indicated in the resource block model.

The Rocklands Resource Block Model applies heavy discounts to the calculation of shallow oxide ore due to the often sporadic distribution of copper species in heavily oxidised and/or colluvium based ore profiles, especially within flood-plains such as occur over central Las Minerale.

The high-grade chalcocite ore is a pleasing bonus in addition to the additional oxide copper ore that has already been mined from above the main ore zones at Las Minerale. Much of this additional ore was NOT included as ore in the original mining schedule, and has been diverted to stockpiles for later processing rather than being sent to the waste dumps as initially intended.

Appointment of Mr. Zhaohui (Tony) Wu as a Non-executive Director of the Company.

CuDeco Limited ("CuDeco") announces the appointment of Mr. Zhaohui (Tony) Wu as a Non-Executive Director of the Company.

Mr. Wu is an executive director of Natsun Australia Pty Ltd and was nominated as a represented of New Asia Apex Pty Ltd a Substantial Shareholder of the Company.

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

QUARTER HIGHLIGHTS - MINING

Mining of the first-stage of the Las Minerale main pit completed - LM Starter Pit phase-1 commences and reaches top of coarse native copper zone

Waste removal for use in infrastructure and/or development work continues at Las Minerale Pit (LM pit), where topographical variations across the pit area have been removed to create a single working platform (RL215 - just above the shallow high-grade oxide zone at Las Minerale).

Waste from the LM pit was removed during the quarter at a rate of approximately 33,000 tonnes per day, with the identified ore zone remaining in-situ (some blasted) at the north-west end of the main pit for later transport to the ROM pad or stockpiles.

Both ore and waste was removed from the LM starter-pit area, which also incorporates the small box-cut previously mined to access coarse native copper bulk sample. Waste is either sent to the waste dumps or ROM pad and ore is stockpiled for later processing.

Approximately 1.85 million tonnes of mostly in-situ blasted waste and minor ore, along with free-dig ore and proximal waste at the LM starter pit has been the focus of mining in the last few months.



Figure 11: Top image; Las Minerale pit taking shape as the entire pit area is excavated to a single working bench level (RL215m). Bottom images; 20m deep box-cut excavation in the middle of Las Minerale (reached RL195)



Figure 12: North-west end of Las Minerale Pit (looking south-east), showing ore-zones left in centre of pit and waste areas either side being removed for use in various infrastructure requirements.



Figure 13: North-west end of Las Minerale Pit, showing ore-zones left in centre of pit and waste areas either side being removed for use in various infrastructure requirements.

Mining costs to date have been significantly less than budgeted, partially due to innovative and efficient use of assets combined with sophisticated mine planning, and partially due to the higher than anticipated free-dig material that has been accessed to date.

During the quarter, machine and labour (total mining costs) were on average around 50% below budget and tonnes moved (ore and waste) were close to double planned movements.

By any standard these are amazing statistics and a tribute to the innovation and hard work of the CuDeco mining team.

With the completion of the box-cut, mine planning reverted back to the original schedule, including completion of the ROM pad for LM starter pit waste and low-grade ore and this dominated the last half of the quarter.

The zones targeted in the box-cut contained a geologically defined coarse native copper zone, anticipated to begin from approximately 15-18m below surface, however sporadic native copper in varying degrees



Figure 14: Left; final depth of box-cut excavation showing the top of the exposed coarse native copper zone in a mixture of clays and fresh-rock and right; close up of the easily distinguishable blue-grey native copper ore.

including coarse native copper fractions, was known to occur at depths of just 3m from surface.

Results from the box-cut confirmed this scenario.

Test crushing of large masses of native copper ore using the company's mobile crushing circuit proves highly successful - exceeding Company expectations

CuDeco visited several smelters in China accompanied by representatives of Sinosteel our EPC Contractor and major shareholders of CuDeco, to discuss early sales of native copper concentrate and/or the possibility of a DSO product that could possibly be available well before the Rocklands Process Plant is fully operational.

The smelters are particularly interested in the prospect of obtaining a high-grade concentrate of copper metal in the form of native copper metal concentrate from Rocklands grading 90-95% copper metal, which like scrap copper is likely to command premium prices at the smelters over typical copper concentrates.

Significant interest was also extended to the possibility of supplying an interim DSO product that contains both native copper and chalcocite ore types.

CuDeco has off-take agreements in place for its primary copper ore concentrates, but to date has not committed its native copper product in order to maintain flexibility regarding the path to market for what amounts to a premium copper concentrate.

As an interim measure to generate early cash-flows whilst the Rocklands Process Plant is being completed, trials are underway to use the Company's mobile crushing circuit to produce a concentrate product suitable for use as DSO.

Obtaining the required ore is a relatively simple process of visual beneficiation within the pit. Suitable high-grade ore is set aside during mining, then sent to a temporary DSO stockpile for crushing and later shipment.

The Company is also investigating the use of conveyor based ore-sorters, initially to further beneficiate DSO ore directly from the pit, and later as a method of enhancing ore type and grade management during processing of run-of-mine ore through the processing plant.



Figure 15: Examples of native copper masses being liberated during test-crushing through the Company's mobile crushing circuit...chalcocite ore (blue-grey) also rich in native copper can be seen in the background. It appears a DSO concentrate of 20% Cu or more will be possible that includes both chalcocite and native copper species. The DSO will also include cobalt, gold and magnetite credits.



Figure 16 (left to right): Sampling of crushed native copper ore.



Figure 17: Solid clay with visible native copper after passing through the crushing circuit (left), begins to break up under its own weight as water is added (centre) and can be easily broken by hand as the clays dissolve after just a few minutes of soaking (right).



Figure 18: Examples of native copper masses being liberated in the first-stage of test-crushing through the Company's mobile crushing circuit...chalcocite ore also rich in native copper can be seen in the background. It appears a DSO concentrate of 20% Cu or more will be possible that includes both chalcocite and native copper species. The DSO will also include cobalt, gold and magnetite credits.



Figure 19: Top left; large 3 tonne agglomerated mass of native copper and top right; close-up of detailed area. Main image; Remains after being crushed through the coarse screen (<120mm) of the mobile crushing circuit. The sample is estimated to contain 40% Cu from a combination of copper species including native copper (99.65% Cu), cuprite (88.8% Cu), and chalcocite (79.85% Cu), +/- tenorite, malachite, azurite and minor chalcocopyrite.

QUARTER HIGHLIGHTS - DEVELOPMENT

Development of the Rocklands Group Copper Project, located just outside the major regional township of Cloncurry in Queensland Australia, continues to come in under pre-development/mining budgets, with significantly more ore/waste also being moved compared to pre-development projections.

The Primary and Secondary Crushing Circuit was virtually complete at the end of the quarter, subject to final adjustment and audit prior to trial commissioning. The Ball Mill and construction of the ROM pad is continuing, and major components of the Process Plant, including flotation cells and components of the High Pressure Grinding Rolls (HPGR) arrived at Rocklands.

Other important areas under development include final completion of the Morris Creek Diversion Channel that was previously built to a sufficient stage to be able to withstand heavy wet-season rains.

Areas under development at Rocklands include;

- Process Plant - Delivery of Components, Site Preparation and Construction
- Las Minerale main Pit (east and west of Morris Creek)
- Rocklands South Extension PAF cell
- Morris Creek Diversion Channel
- Infrastructure Corridor and Tailings Storage Facility (TSF)
- Water Storage Facility (WSF)
- Major Access Roads and Other Facilities



Figure 20: Aerial photo of the main development areas at Rocklands, showing the Las Minerale pit outline taking shape (LM Pit), and location of recently excavated small box-cut (NatCu Box-cut) in the centre of Las Minerale, to obtain coarse native copper ore for commissioning of the crushing circuit.

Process Plant - Delivery of Components, Site Preparation and Construction...see Figure 21 for location

Stringent Quality Assurance and Quality Control (QAQC) measures have been employed by the Company, which has included numerous visits and inspections of various manufacturing plants around the world. The QAQC process includes monitoring of critical component during transport from the various international ports to Australia via the Port of Townsville, then through to the Rocklands Project site.

Construction of the 550 tonnes per hour Primary and Secondary Crushing Circuits are virtually complete, with minor finishing touches and ancillary components remaining to be completed.

Concrete works for the Ball Mill and Native Copper Cleaning circuits are nearing completion and additional concrete work is ongoing, timed to be available (fully cured) prior to the erection of various components of the plant.

The ROM continued to be built up to the required level at a rate of 15,000 tonnes per day from waste from the Las Minerale pit/ Additional waste from the Las Minerale Pit suitable for crushing and use in concrete and/or road base, is sent to the Company's mobile crushing circuit.

Stockpile areas have been cleared and drainage facilities completed. Or is currently being stockpiled as it is encountered in the LM Pit.



Figure 22: Flotation Cells from Port of Townsville (top image) and delivered to Rocklands (above).



Figure 23: Delivery of large crane at the Port of Townsville (top) to be used at the Rocklands Process Plant site, pictured (above) with Flotation Cells and end-cap for Ball Mill.

Process Plant - Status of Major Components;

- Ball-mill (5800 diameter x 8300mm long) - *delivered to Rocklands ahead of schedule*
- alljig® fabrication completed - *on schedule*
- High Pressure Grinding Rolls (HPGR) in transit to site/part delivered - *on schedule*
- Basic Engineering for the processing plant - *completed*
- Crusher circuit (3mtpa) scheduled for commissioning shortly - *currently under construction and behind original schedule due to modifications and upgrades by CuDeco.*

...continued page 23



Figure 24: Massive concrete foundations for the Ball Mill being poured in stages, typically at night to avoid the heat of the day and premature curing, but recent mild weather has meant daytime concrete pours have been possible.

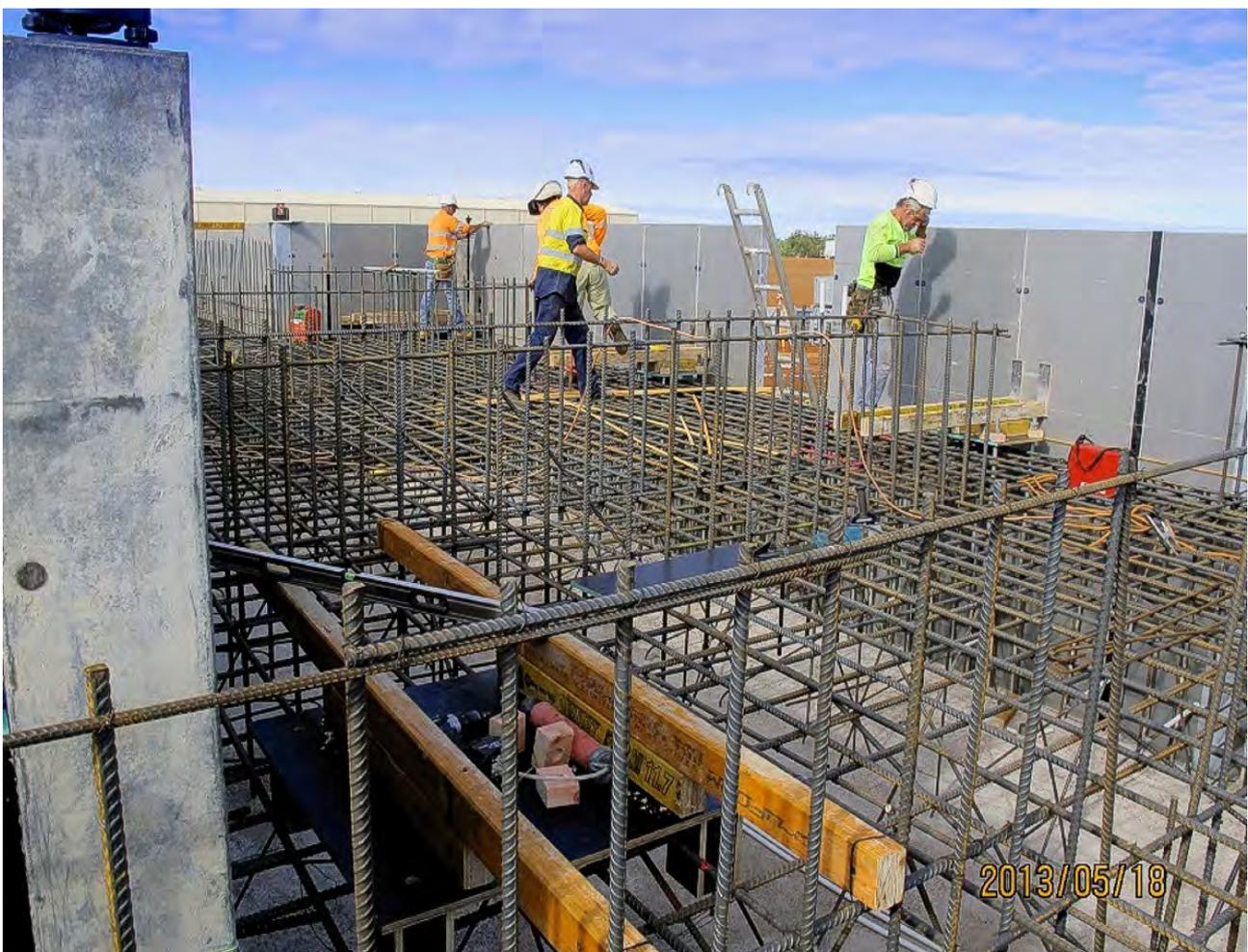


Figure 25: Massive concrete foundations for the Ball Mill being poured in stages. Image shows large-bar reinforcing and custom-built formwork required to support the weight of thousands of tonnes of concrete that is poured in single competent layers until the pad is completed to the required thickness to support the significant loadings from the Ball Mill.



Figure 26: Ball Mill foundations with Crushing Circuit in Background (top image) and HPGR foundation with ROM Pad gradually being built up to the required level in Background (above image)



Figure 27: Native Copper Cleaning Drum delivered to lay-down area (Flotation Cells in background)



Figure 28: Crushing Circuit 95% Complete...nearing commissioning.

- Structural steel requirements in transit to site for the mineral processing plant. The supply agreement requires all steel to be prefabricated prior to export to Rocklands, which will reduce the expensive costs associated with the onsite fabrication, cutting and handling. To be delivered in four shipments embarking China from May 2013 - *on schedule with amended delivery timelines based on timing of crusher circuit.*
- Thickeners finalising fabrication - *on schedule*
- Native Copper Cleaning Drum fabrication completed and mostly delivered to site - on schedule
- Flotation cells fabrication completed and delivered to site - on schedule
- Tower mills in transit to site and part delivered - on schedule
- Process Control System - on schedule
- Detailed design engineering - on schedule



Figure 29: Deliveries to Rocklands via the mining Haul-roads



Figure 30: View from the ROM Pad looking towards the north-west end of the Las Minerale Pit

Las Minerale and Rocklands South Extension Pits...see Figure 21 (ref 10a) for location

Waste removal for use in infrastructure and/or development work continued at Las Minerale Pit (LM pit), where topographical variations across the pit area were removed to create a single working platform (RL215 - just above the shallow high-grade oxide zone at Las Minerale).

Waste from the LM pit was removed at a rate of approximately 33,000 tonnes per day, with the identified ore zone either remaining in-situ (some blasted) for later transport to the ROM pad or stockpiles. Ore from the Las Minerale Starter Pit is being sent to the stockpiles.

Additional ore encountered during this process is also stockpiled for later processing.

Hard-rock waste is used for various infrastructure requirements, including completion of the Water Storage Facility dam walls and Morris Creek Diversion Channel embankments.

Rock suitable for crushing to be used for road-base and various earthworks is sent to the Company's mobile crushing circuit, with over 120,000 BCM blasted to date that is suitable for use in construction cement (resulting in considerable cost savings).

Large scale de-watering and pumping continues to reduce ground water levels in the LM pit and is being diverted to the WSF.

Construction of the Rocklands South Extension (RSE) pit to be used as a Potential Acid Forming (PAF) drainage retention pond continues. The RSE pit takes advantage of both the scale and orientation of the RSE orebody, which resulted in a final optimised pit size perfectly suitable for use as a drainage pond.



Figure 31: Morris Creek Diversion Channel nearing completion, capable of withstanding a 1-in-100-year flood event. Interestingly, this actually transpired at Rocklands a few years ago, in spite of which Morris Creek (which the diversion channel is designed to re-direct) flowed running water for just one day and reached a flood height of approximately 1m.

This is an example of yet another significant net saving to development costs, due to the net-positive impact of the PAF draining retention pond producing enough ore to cover costs of construction and development activities AND result in additional income for the project.

Morris Creek Diversion Channel and Dam...see Figure 21 for location

Construction of the Morris Creek Diversion Channel and associated infrastructure is nearing its final stages and is currently more than 90% complete.

The diversion channel was previously completed to a sufficient stage to be able to withstand heavy wet-season rains (that never eventuated), and is now being completed to the original 1-in-10,000-year flood event capacity.

Construction of the Morris Creek Diversion Dam (see Figure 21 ref 06) is currently underway. The Dam is the final component of major water diversion infrastructure, and will provide an important additional water capture facility, for transfer to the main Water Storage Facility if/when required.

Infrastructure Corridor, Haul Roads and Tailings Storage Facility (TSF)...see Figure 21 for location

Subsequent to the Queensland Government granting of Mining Lease (ML90219) for the corridor between the two main mining leases that make up the Rocklands Group Copper Project (ML90177 & ML90188), development clearing and excavation activities have been completed and haul-roads are being completed on an ongoing basis.



Figure 32: Excavation starts at the eastern end of the Las Minerale Pit (LM Pit), which is being excavated down to the same level as the northern end of the Pit (RL 215), to create a single working platform. The ROM pad can be seen in the background.

This important access corridor enables delivery of power required for tailings dewatering and return water systems, and facilitates construction of pipelines/haul road access between the process plant and TSF.

The Rocklands Project TSF is designed for a minimum storage capacity of 30 million tonnes of tailings waste, and is designed to facilitate the 30mt of ore scheduled to be processed through the Rocklands Process Plant during the current 10 year mine plan.

The TSF is located on ML90188 (see Figure 21), where clearing and initial cut-back earthworks have been completed and approval for design changes to the stage 1 TSF cell is subject to the current amended EA.

Construction will commence once approval has been granted.

Water Storage Facility (WSF)...see Figure 21 for location

Topsoil removal and stockpiling for future use in rehabilitation works has been completed, and earthmoving surface scrapers have completed stripping and redistribution of clay zones identified for use in constructing water impervious layers where required for dam wall construction. Some clay was retained and compacted to create an impervious base for the floor of the WSF to minimise water seepage.

Construction of the WSF was also completed to a stage suitable to withstand the on-set of heavy rains (which did not eventuate), and is undergoing finishing touches on an ongoing basis to bring the facility up to original design specifications.

Numerous dewatering bores have been diverted to the WSF, adding to total water inventory and to help ensure continuity of water supply for the project.

The WSF is capable of storing 980 Mega litres.

Major Access Roads and Other Facilities...see Figure 21 for location

Construction of major access and heavy haulage roads continue, with supply of road-base being met by the Company's Mobile Crushing Circuit. Rock types perfect



Figure 33 (top to bottom); Drill and blast - last shot to be fired at the Morris Creek Diversion Channel



Figure 34: numerous culverts and water crossings are constructed as part of constructing the road infrastructure.

for use in road-base, such as dolerite, are prolific at Rocklands, and has resulted in significant cost savings over material that may otherwise have been sourced off-site.

Load and haul road sheeting material was also moved from the east dump area for construction of road train access roads, which were upgraded in preparation of the heavy Process Plant component deliveries.

Explosives magazines have been completed and fully approved (owned by Cudeco)

Emulsion explosives facility is complete (owned by Cudeco)



Figure 35: View from the ROM Pad looking towards the eastern end of the Las Minerale Pit, which has just started and will eventually be excavated to the same level (RL215) as the north-west end.

QUARTER HIGHLIGHTS - EXPLORATION

With the Company's primary focus on development of the Rocklands Copper Project Plant and associated infrastructure, exploration is now concentrating on delineating a newly discovered high-grade sulphide copper zone at Rocklands South, delineating small satellite copper deposits separate to the main ore zones being developed for near-term monetisation, and exploration of the new EPM18054.

Preparations for resource upgrade underway, to include Fairfield prospect and new high-grade zone identified at Rocklands South

Diamond drilling at Rocklands South is focussing on high-grade mineralisation unexpectedly intersected during wide-diameter pit-dewater bore drilling within and proximal to the Rocklands South ore-body.

Some of the highest grades yet seen at Rocklands South have been in recent drilling, and in places even higher grades of primary copper mineralisation than have been seen at the flagship Las Minerale resource.

Copper grades being intersected are multiples of those indicated in the current resource model, which was calculated based on drilling that did not intersect the areas in question.

Whilst luck plays a large part in any discovery, the placement of pit-dewatering holes to concurrently "explore" areas where little or no drilling exists, whilst also providing the required pit-dewatering results, is an example of where a little ingenuity has paid off.

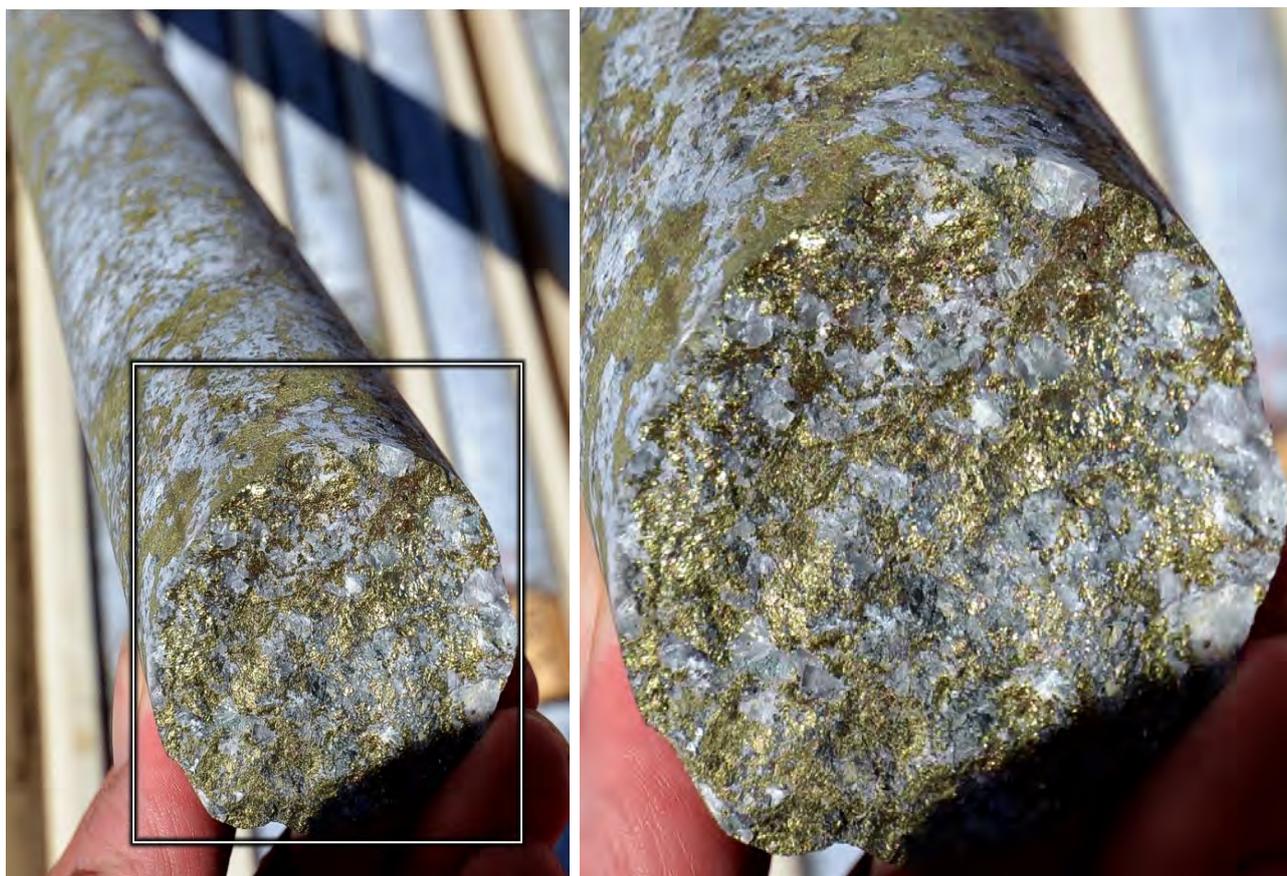


Figure 36: Diamond drill core DODH464 (dry core) showing semi-massive to massive sulphides (copper mineral chalcopyrite and pyrite) in calcite/quartz breccia. Photo shows zone from approximately 215m (estimated to contain 15-20% chalcopyrite) and close up the end of the drill core at approximately 217m - assays awaited.

New drilling results released for the quarter include;

DODH464		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	23m @	1.01%	0.88%	142	<i>pending</i>	172m -	195m
<i>including</i>		6m @	2.63%	2.38%	321	<i>pending</i>	189m -	195m
Intersection	2	12m @	4.32%	4.14%	332	<i>pending</i>	209m -	221m
<i>including</i>		7m @	6.61%	6.37%	481	<i>pending</i>	212m -	219m

DODH465		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	12m @	2.11%	1.91%	251	<i>pending</i>	194m -	206m
<i>including</i>		7m @	3.23%	2.91%	400	<i>pending</i>	198m -	205m
Intersection	2	15m @	4.55%	3.72%	870	<i>pending</i>	234m -	249m
<i>including</i>		12m @	5.57%	4.54%	1067	<i>pending</i>	234m -	246m

DODH458		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	51m @	1.71%	1.40%	331	<i>pending</i>	204m -	255m
<i>including</i>		23m @	3.02%	2.49%	564	<i>pending</i>	209m -	232m

Cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste. Gold results not yet available and not included in above CuEq results.

Preliminary revised optimisation studies at Rocklands South, offer several options for improved economics when incorporating new high-grade sulphide discovery into Southern Rocklands Pit

Interpretations were undertaken during the quarter to determine if we should test deeper to see whether this new ultra-high grade mineralised system at Rocklands South continues at depth as a potential feeder to the Rocklands mineralising system, as we appear to have entered into a completely different style of mineralisation not seen before at either Rocklands South or indeed Las Minerale at such depths.

Preliminary studies have also been conducted to determine potential implications of this new high-grade zone on current mining schedules, and to investigate if;

- they can be accessed via the current open-cut mining model;
- whether changes to the current open-cut mining model may be beneficial or;
- whether underground access options may be more economically attractive.

Results of the current diamond drilling programme, which will be incorporated into an updated resource estimate, will be critical to this study.

Previously, Rocklands South has only seen limited drilling at the depths and areas currently being targeted, and there has been no drilling at depth on the southern side of the orebody where significant grades are now being confirmed to exist and an apparent widening of mineralisation is occurring.

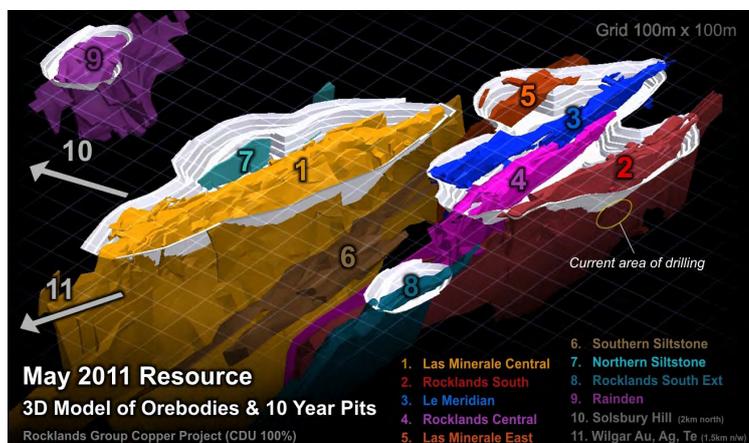


Figure 37: 3D rendered model showing main Rocklands Orebodies and 10-year Final Pit Designs (Rocklands South is to the right)



Figure 38: Diamond drill core DODH465 showing supergene copper mineralisation from approx. 245-246m which assayed 10.4% Cu.



Figure 39: Diamond drill core DODH465 (wet core) showing diamond core from the high-grade structure that is unique in that it hosts a combination of primary (sulphide) and secondary (enriched oxide) copper minerals including chalcopyrite (34.6% Cu), chalcocite (79.9%Cu), covellite (66.5%Cu) and bornite (63.3% Cu) at depths below 200m (image shows diamond core which morphs from primary copper sulphides (left) to secondary oxide enrichment (right) as the hole gets deeper (241 - 246m), which assayed 5m @ 4.05% Cu

New Copper Discovery - Bedrock Drilling Intersects Significant Zone of Copper Mineralisation 2km West of Rocklands South

A significant zone of near-surface copper and cobalt mineralisation has been identified 2km west of the Rocklands South resource, during bedrock drilling to depths of up to 15m.

Peak readings across the interpreted zone of mineralisation at various depths;

Bedrock sample depth	Width across strike	Grade
0 - 3m	20m	0.29% CuEq
3 - 6m	30m	0.34% CuEq
6 - 9m	35m	0.41% CuEq
9 - 12m	25m	0.47% CuEq
12 - 15m	25m	0.53% CuEq

Recent bedrock returned to the location and to date has defined a zone of at least 120m of strike including anomalous copper and cobalt mineralisation, approximately 25m wide, and still open at depth and along strike, including copper grades up to 0.4% and 0.5% Cu near surface.

This new discovery is yet to be named and is just one of some 30 or so areas identified as prime targets for future exploration programmes.

As highlighted in its presentation to the CuDeco Board of Directors in mid 2012 (see ASX announcement 5th June 2012), the focus for the Exploration team at Rocklands is divided into the following key areas;

- **Finding the next “Las Minerale”**
- **Increase Resource Inventory** (Fairfield, Wilgar, Las Minerale (NW & depth), Solsbury Hill)
- **Improve Confidence in Existing Resources** - Increase mining confidence (Rainden infill and Las Minerale bedrock programmes, and since end 2012, define new high-grade zone at Rocklands South)
- **Identify New Shallow Satellite Deposits for Supplementary Feed** - opportunity to monetise small, otherwise sub-economic deposits due to existence of plant and equipment.

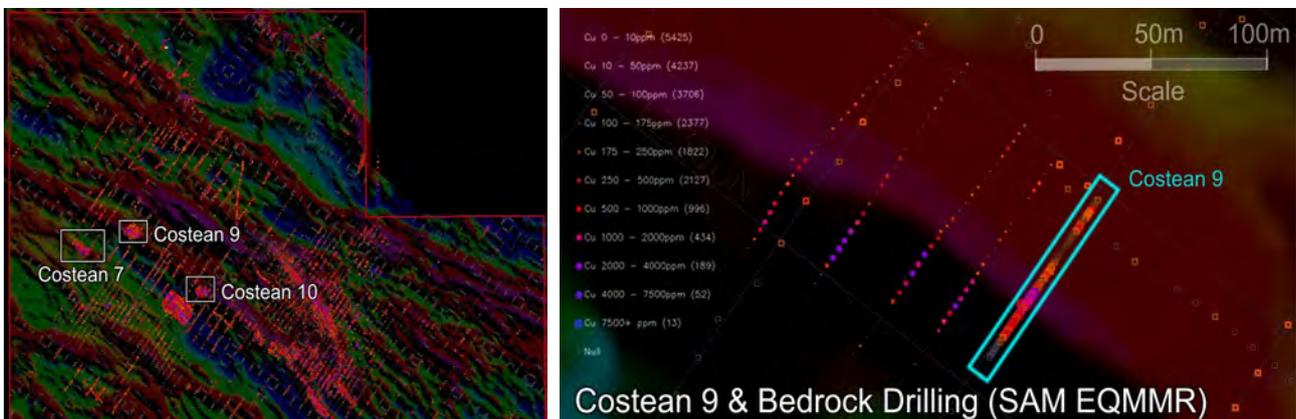


Figure 40: Location plan of costean and bedrock programmes (left) and close up of Costean 9 and adjacent bedrock drilling over SAM EQMMR survey - approximately 120m of strike confirmed, open to east, west and at depth.

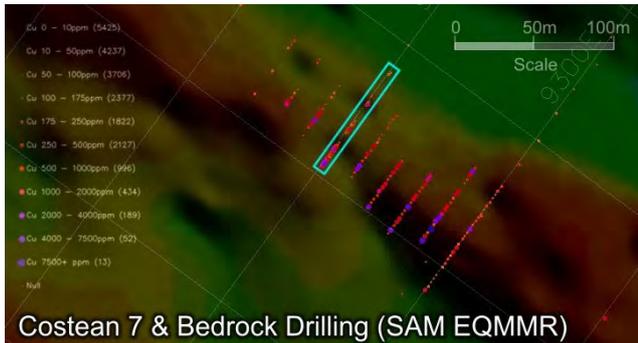


Figure 41: Costean 7 (light-blue outline) and adjacent bedrock drilling over SAM EQMMR survey - 140m of strike confirmed, open to east, south and possibly west at depth.

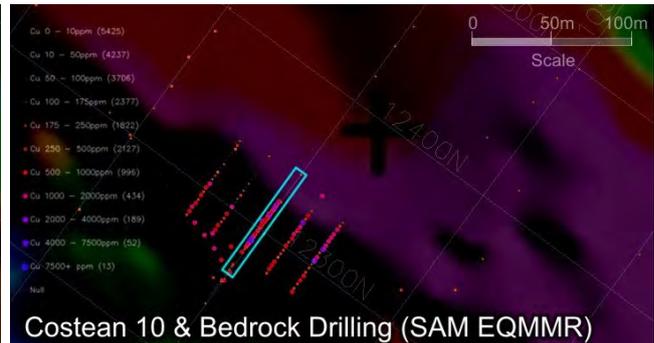


Figure 42: Costean 10 (light-blue outline) and adjacent bedrock drilling over SAM EQMMR survey - 90m of strike confirmed, open to east, west and south.

Since mid 2012, whilst development activities have been rapidly progressing at site, we have been quietly ticking off boxes in the background in all of the above areas;

Finding the next “Las Minerale”

Major targets have been identified at our new EPM18054 and within the Rocklands ML90177 based on new and re-processed Sub Audio Magnetics (SAM) surveys, including interpretation of off-time SAM data (EM/IP) believed to be the first time SAM off-time data has been used as an exploration tool in the Region.

Improve Confidence in Existing Resources

Shallow bedrock drilling programme over Las Minerale and Rocklands South identified wide-spread oxide mineralisation not included in current resource model, including a new native copper zone not previously identified that strikes parallel and 50m offset to the native copper zone at Las Minerale.

New diamond drilling programme at Rocklands South defining significant high-grade copper mineralisation at grades that are multiples of the resource model for the areas being targeted.

Identify New Shallow Satellite Deposits for Supplementary Feed

An opportunity exists at Rocklands to take advantage of plant and equipment that will be operating in the near future to monetise high-grade but otherwise sub-economic deposits that would otherwise be of insufficient scale to sustain a stand-alone operation. The recent new discovery at Costean-9, and previous discoveries at Costean-7 and Costean-10 (see ASX announcement 11th April 2012), will potentially meet future supplementary feed requirements.

Major targets have been identified at our new EPM18054 and within the Rocklands ML90177 based on new and re-processed Sub Audio Magnetics (SAM) surveys, including interpretation of off-time SAM data (EM/IP) believed to be the first time SAM off-time data has been used as an exploration tool in the Region.

Increase Resource Inventory

Highly successful drilling programme at Fairfield that will facilitate its inclusion in the next resource upgrade expected to be calculated this year. Numerous other areas identified for further resource extension drilling as rigs become available, including the north-west of Las Minerale where a potential continuation of the main ore zone has been identified.

QUARTER HIGHLIGHTS - CORPORATE

CuDeco signs two binding contracts with Sinosteel;

- EPC (Engineer, Procure and Construct) contract for the Rocklands Power Station to provide power for the 3 million tonne per annum mineral processing plant
- Structural, Mechanical and Piping (SMP) installation at the Rocklands Group Copper Project. The "TURNKEY" contract includes the complete installation of the entire Mineral Processing Plant and ancillaries

Power Station Construction

CuDeco signed a binding agreement with one of China's largest state owned companies Sinosteel Equipment and Engineering for the EPC (Engineer, Procure and Construct) contract for the Rocklands Power Station to provide the power for the 3 million tonne per year mineral processing plant.

The contract is for the supply and installation of a 28 Megawatt (MW) "peak load" **Cummins** Power station. Cummins Australia will construct the Power Station, which will have a continuous operating load of ~21 MW, and includes the acoustic building, ventilation system, Master Control Station and 20m exhaust stacks.

The Power Station is warranted by Cummins Australia. Access for commencement of construction of the Power Plant is 1st July 2013.

The EPC agreement provides for a handover and completion of the Power Plant with a "ready for start" date of 23rd December 2013.

The Power Plant for the 3mtpa Crushing circuit, a separate power station supplied by Australian Generators Pty Ltd, and also powered by Cummins, is already installed and was commissioned at the end of June 2013.

Mineral Processing Plant Construction

CuDeco also signed a binding agreement with Sinosteel for the Structural, Mechanical and Piping (SMP) installation at the Rocklands Group Copper Project. The "TURNKEY" contract includes the complete installation of the entire Mineral Processing Plant and ancillaries. Sinosteel has entered into 3rd party contracts with Queensland-based engineering, construction and plant and equipment supply companies, for the construction of the process plant and will employ more than 400 Australian Personnel during the construction. The mobilisation for the construction crews for the processing plant is to begin 1st July 2013 with completion and commencement of commissioning due May/June 2014.

CuDeco and Sinosteel Equipment and Engineering previously entered into a Procurement Agreement for the purchase of all of the mineral process plant in February 2011. The plant included processing equipment from Germany, Korea, Japan and China. To date approx. 70% of the plant has been shipped to Australia and is continuing to arrive on site at Rocklands. The mineral processing plant is one of the worlds most advanced processing plants producing four products, native copper metal, copper/gold concentrate, cobalt/sulphur concentrate and magnetite concentrate.

Sinosteel operates its business in approximately 80 countries around the globe.

Currently, approximately 120 personnel are already involved in the mining, civil construction, construction of concrete and steel foundations, maintenance, stores, administration and services on the Rocklands site.



Figure 43: Top to bottom; first loads of waste form the base of the ROM pad, which builds as more waste is added and the ROM grows towards the Crushing Circuit feed bin and construction of the ROM retaining wall commences and reaches final compacted height in the bottom-right image. The crushing circuit is undergoing final audit and minor completion tasks and commissioning is expected to take place as soon as the Run of Mine (ROM) pad has been completed and certified ready for use.

Yours faithfully

Wayne McCrae
Chairman

Competent Person Statement

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 mineralisation 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 consents 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 are 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 Resource

References to the Rocklands Resource, and/or Rocklands Resource Estimate, have been sourced from the Company's Resource Estimate Report 2011 released via the ASX on the 25th May 2011 which is based on work undertaken by Mr Andrew J. Vigar, who is an employee of Mining Associates Pty and a Fellow of The Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the JORC Code, Mr Vigar included with that Report a Written Consent Statement verifying that the Report fairly and accurately reflected the information in the supporting documentation relating to Mineral Resources. A detailed description of the resource estimation methodology is included in the above mentioned Report, completed by Mining Associates Pty. Ltd. and released to ASX on 25th May 2011.

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.

Notes on Assay Results

All analyses are carried out at internationally recognised, independent, assay laboratories. Quality Assurance (QA) for the analyses is provided by continual analysis of known standards, blanks and duplicate samples as well as the internal QA procedures of the respective independent laboratories.

Reported intersections are down-hole widths.

Au = Gold
Ag = Silver
Te = Tellurium
Mo = Molybdenum
Pb = Lead
Cu = Copper
Co = Cobalt
U = Uranium
Se = Selenium
Zn = Zinc
CuEq = Copper Equivalent

Copper Equivalent (CuEq) Calculation

The formula for calculation of copper equivalent is based on the following metal prices and metallurgical recoveries:

Copper: \$2.00 US\$/lb; Recovery: 95.00%

Cobalt: \$26.00 US\$/lb; Recovery: 90.00%

Gold: \$900.00 US\$/troy ounce Recovery: 75.00%

$$\text{CuEq} = \text{Cu}(\%) \times 0.95 + \text{Co}(\text{ppm}) \times 0.00117 + \text{Au}(\text{ppm}) \times 0.49219$$

In order to be consistent with previous reporting, the drill intersections reported above have been calculated on the basis of copper cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste.

The recoveries used in the calculations are the average achieved to date in the metallurgical test-work on primary sulphide, supergene, oxide and native copper zones.

The Company's opinion is that all of the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

Wilgar intersections reported have been calculated on the basis of a gold cut-off grade of 1g/t Au with 3m allowance for internal waste. Uranium intersections reported on basis of a uranium cut-off grade of 1000ppm U with 3m allowance for internal waste.

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.

Hole Location Table

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
DODH456	433540.1	7713250.0	226.9	030	-75	221.7
DODH457	433566.8	7713290.1	226.1	000	-90	281.8
DODH458	433596.7	7713327.6	224.7	210	-79	272.9
DODH459	433596.4	7713327.2	224.7	210	-75	245.9
DODH460	433590.2	7713300.4	224.9	210	-79	250.4
DODH461	433590.2	7713300.2	224.9	210	-75	195.9
DODH462	433590.2	7713300.7	224.9	210	-81.5	300
DODH464	433588.8	7713338.4	224.3	210	-75	241.3
DODH465	433588.8	7713338.4	224.3	210	-78	301.3
DODH471	433519.9	7713240.4	226.8	030	-75	325.2
DODH472	433541	7713233	224	030	-75	322.3
DODH473	433541	7713233	224	030	-70	265.1

Datum: MGA94 Project: UTM54 surveyed with Differential GPS (1 decimal place, 10cm accuracy) and/or handheld GPS (no decimal places, 4m accuracy).

Hole Location Plan

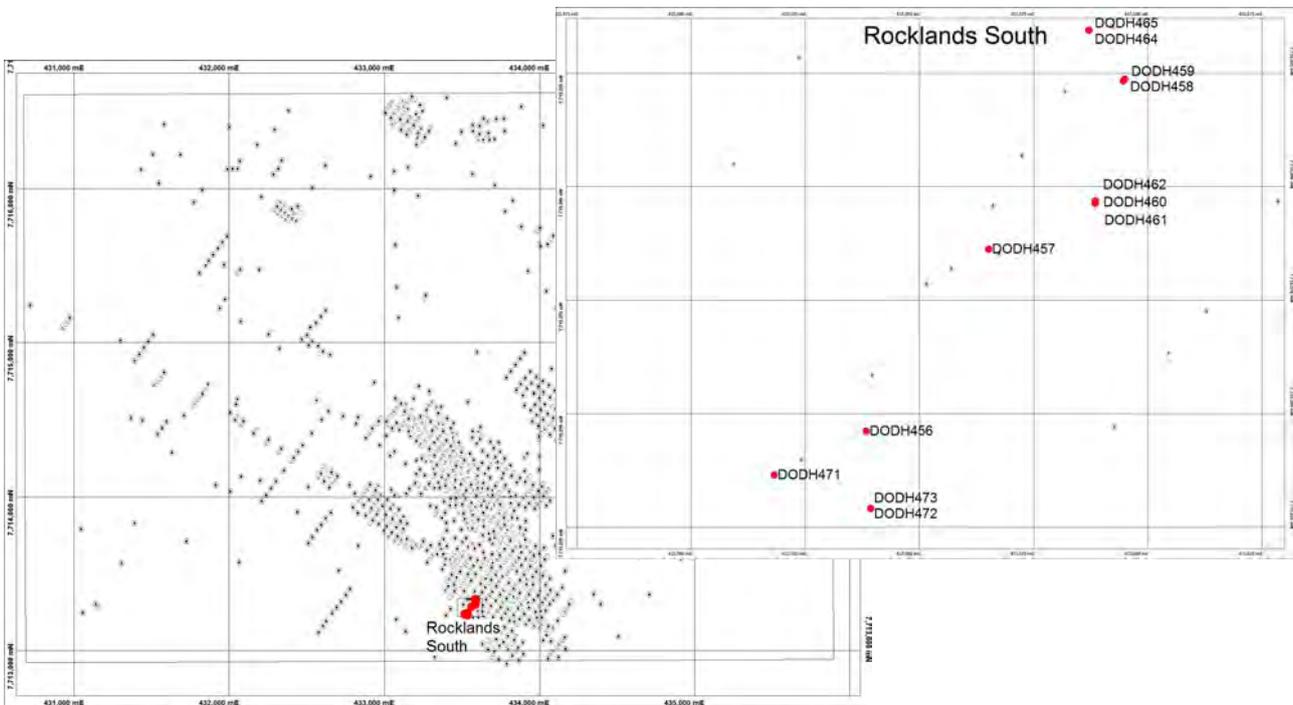




Figure 44: 3D rendered model showing main Rocklands Orebodies and 10-year Final Pit Designs (Rocklands South is to the right)

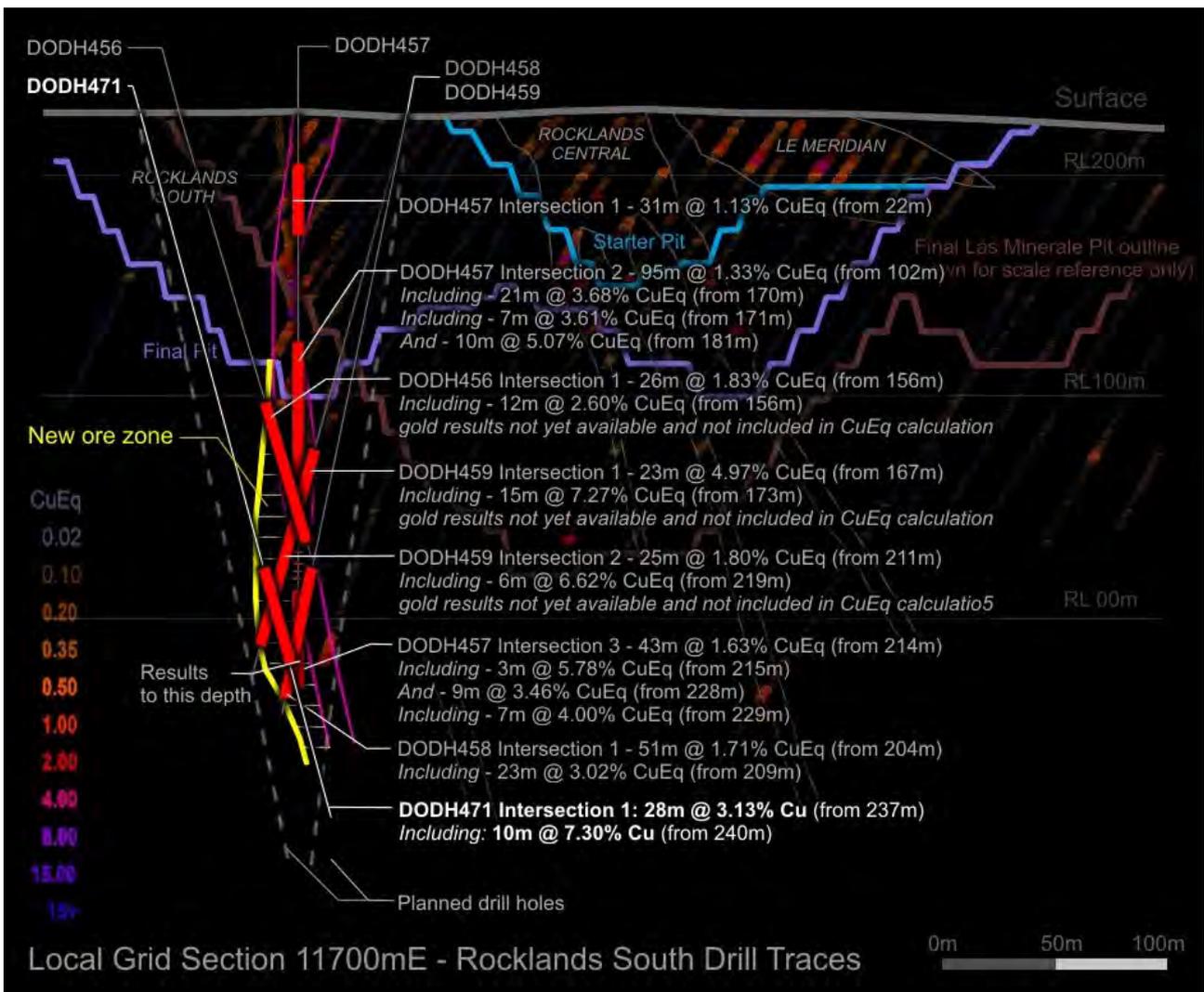


Figure 45: Cross section (11700mE) at the eastern end of the Rocklands Group of ore-bodies including Rocklands South ore-body (left) with the location of diamond drill holes DODH456, DODH457, DODH458, DODH459 and DODH471 that hit significant zones of high-grade copper mineralisation both within and outside the existing resource block model.

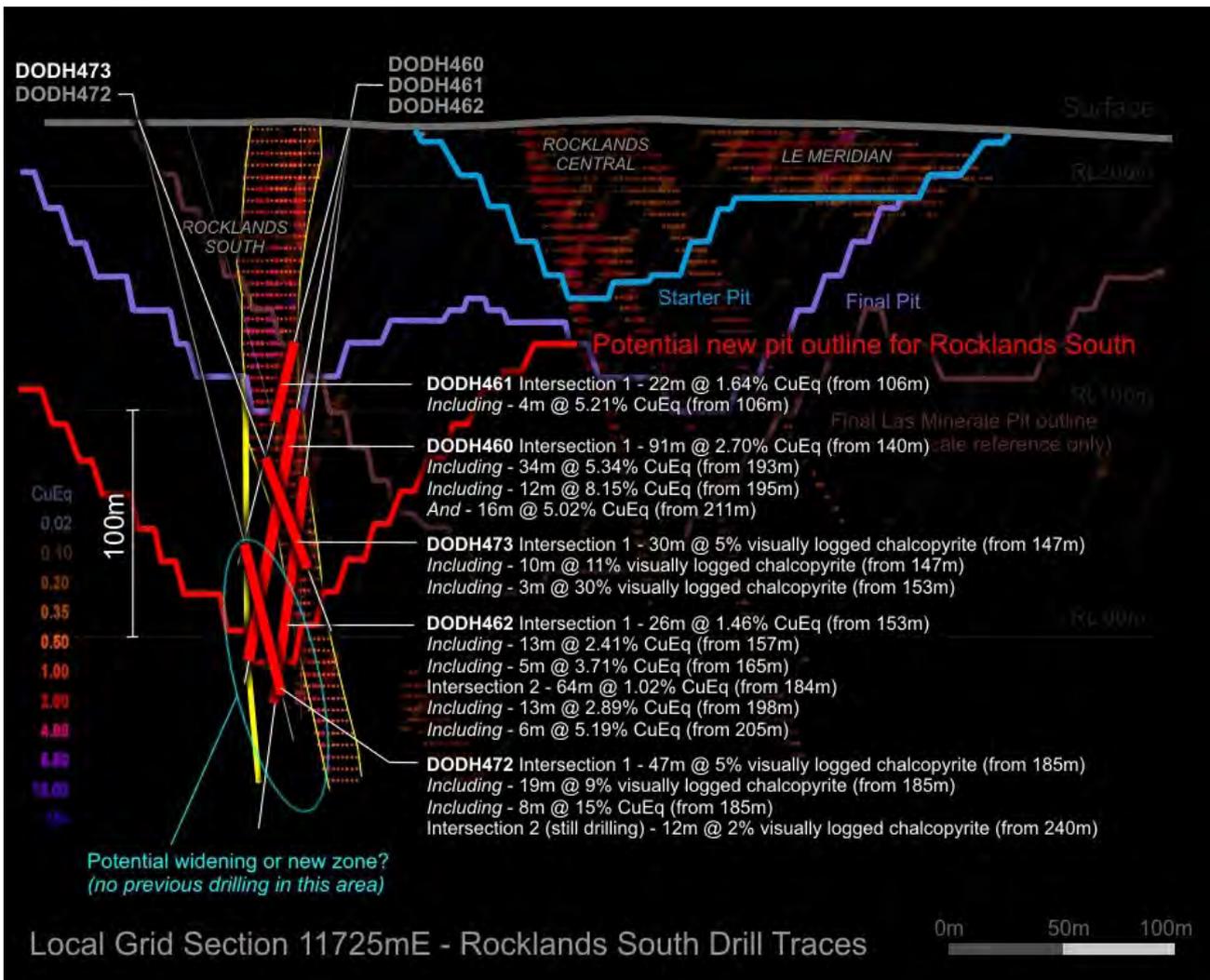


Figure 46: Cross section (11725mE) at the eastern end of the Rocklands Group of ore-bodies including Rocklands South ore-body (left) with the location of diamond drill holes DODH460, DODH461, DODH462, DODH472 and DODH473 that hit significant zones of high-grade copper mineralisation both within and outside the existing resource block model.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(530)	(4,482)
(b) development	(11,829)	(32,336)
(c) production	-	-
(d) administration	(2,653)	(8,965)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	763	3,409
1.5 Interest and other costs of finance paid	-	
1.6 Income taxes paid	-	
1.7 Other – R & D Concession received	-	828
Other – Diesel Fuel rebate	-	126
Net Operating Cash Flows	(14,249)	(41,420)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
- Other Assets	(11,659)	(46,012)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	21	198
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Rental bonds	-	(11)
Net investing cash flows	(11,638)	(45,825)
1.13 Total operating and investing cash flows (carried forward)	(25,887)	(87,245)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(25,887)	(87,245)
1.14	Proceeds from issues of shares, options, etc.	17,250	18,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Employee shares acquisition under share plan	(3,204)	(10,059)
	Share issue costs	(924)	(962)
	Net financing cash flows	13,122	6,979
	Net increase (decrease) in cash held	(12,765)	(80,266)
1.20	Cash at beginning of quarter/year to date	59,553	127,441
1.21	Exchange rate adjustments to item 1.20	909	522
1.22	Cash at end of quarter	47,697	47,697

Payments to directors of the entity and associates of the directors

Payments to 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	510
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$A'000
Directors' and their related parties remuneration	\$ 422
Rent paid to director & director-related entity	\$ 88

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

During the March 2013 quarter the Company issued shares as follows;-

- 3,333,333 ordinary fully paid shares at \$3.90 for the part payment for extra componentry for the Rocklands Plant; and
- 7,600,000 ordinary fully paid shares at \$4.50 for componentry and equipment for the 3mtpa mineral process plant including a 22 Megawatt Power Station and its installation and construction.

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

Not Applicable.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	15,000
4.3 Production	-
4.4 Administration	2,000
Total	18,000

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	361	314
5.2 Deposits at call	47,336	59,239
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	47,697	59,553

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not applicable		
6.2	Interests in mining tenements acquired or increased	Not applicable		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	204,877,294	204,877,294		
7.4 Changes during quarter (a) Increases Share Placement Option Exercise (b) Decreases through on market buy backs	5,000,000	5,000,000	\$3.45	\$3.45
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Employee options	225,000	-	\$2.50	15.09.13
Consultant options	400,000	-	\$2.50	15.09.13
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter Employee options	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 31 July 2013

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.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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