

MARKET RELEASE

23rd July 2015

Company Update

Capital Raising:

On 30 June 2015, the Company held an Extraordinary General Meeting to approve the issuance of 36m shares and 20m options to Focus Sun Holdings Ltd, for the purpose of financing the completion of the Rocklands Process Plant. The need for further funding in addition to monies previously raised is due to the ongoing delays experienced in the construction of the process plant by EPC contractor Sinosteel Equipment and Engineering Co Ltd of China.

CuDeco's shareholders including its Chinese investors did not support the resolution and it was subsequently defeated. To ensure that Rocklands reaches production, Mr Tony Wu on behalf of New Apex Ltd has advised the company that they have agreed with China Oceanwide International Investment Co., Limited and Sinosteel Equipment and Engineering Co Ltd to provide a short term loan to CuDeco Limited whilst the company waits for the Minsheng Bank to complete the paperwork for the outstanding drawdown.

The Company has applied to drawdown a further US\$5 million under the terms of the existing facility and a further US\$35 million which was originally approved by Minsheng Bank. To assist with this, CuDeco's major Chinese Shareholders have agreed to furnish to the bank letters of support for the additional drawdowns on the condition Mr McCrae resigns from his position within the Company.

Reduction in Mining:

The Company advises the mining crew has been reduced to one shift working on a seven day on and seven day off roster to reduce the mining costs at this time. Whilst waiting for the delivery of the process plant by Sinosteel Engineering Co Ltd the company has stockpiled more than 2.2mt of ore to be processed. This is sufficient to meet our existing requirements. The Company does not wish to stockpile any further, as it is now mining sulphides which are subject to oxidation if stockpiled for too long before processing, and this may affect the recoveries achieved through the plant. The reduction of the mining crew was for 18 employees, but the savings on the fuel, drill and blast and other associated costs has saved approximately \$500,000 per week in direct costs.

The Project Continuing:

Mr McCrae has advised the three major Chinese shareholders he will resign his positions as requested, on Friday 24 July 2015 providing the guarantees of support are in place. Director Tony Wu on behalf of New Apex Asia International Ltd and with the support of the other major Chinese shareholders have notified the company of their intention to call an EGM with the Company for the express purpose of removing Mr McCrae if he does not resign his position.

The three major shareholders have the financial capability to ensure the finance is available to bring the mine to production and have expressed their willingness to do so under the guidance of the remaining Board members and management structure.