
MARKET RELEASE

28th November 2014

ROCKLANDS COPPER PROJECT (CDU 100%)

CONTRACT AWARDED FOR TESTWORK AND PURCHASE OF FIRST NATIVE COPPER SHIPMENT

NATIVE COPPER IN HIGH DEMAND IN CHINA

The Company is pleased to advise shareholders that the first shipment for smelter testwork for the native copper produced from the Rocklands Project has been awarded to a Chinese buyer.

A total of 170 tonnes in containers, of varying native copper concentrate Cu grades was shipped for the testwork. The demand for the first shipment was so high that the buyer paid \$US500,000 to secure the furnace and smelter testwork and to purchase the total shipment. The balance of funds are to be paid within 7 days of completion and provision of the results of the testwork.



Figure 1: High-grade DSO (+40mm) visually estimated at 80-90% Cu, scalped off the crusher screens and loaded into containers ready for shipment.



Figure 2: High-grade DSO (+40mm) visually estimated at 80-90% Cu, scalped off the crusher screens and loaded into containers ready for shipment. Each container holds between 22-25 tonnes of predominately native copper (99.65% Cu).

Smelter and furnace testwork is expected to be completed mid December. The Company has numerous offers for long term purchases of the native copper, but will wait for the outcome of the testwork before proceeding with any long-term offtake agreements.

The number of smelters/buyers that applied and inspected the shipment for the testwork, and subsequently applied for a contract for the purchase of the native copper DSO product from Rocklands was overwhelming. The native copper product is in high demand from smelters, due its clean nature. It contains very little impurities or pollutants, and no deleterious materials of environmental concern. This was very appealing to the smelters.

The high-grade nature of the native copper concentrate makes it suitable for use as copper feed for cooling of the converters during the smelting process, which is usually achieved by recycling blister copper produced by the smelting process back into the furnace. Feeding native copper concentrate instead of re-feeding the blister copper results in significant cost savings to the smelters (which can be as high as 15%), as well as producing a proportional increase in copper production.

The sale of the native copper is at the Shanghai spot copper price which is a premium over the LME price.



Figure 3: High-grade DSO (+40mm) scalped off the crusher screens. Predominately native copper (99.65% Cu). Inset; crushed product under the -40mm conveyors and +40mm scalped native copper DSO product in containers in foreground.



Figure 4: Left; high-grade DSO (+40mm) visually estimated at 90% Cu in this batch, scalped off the crusher screens - predominately native copper (99.65% Cu). Right (top to bottom); close-up of +40mm scalped product; large 60kg copper nugget; -40mm crushed product; containers of +40mm scalped product; up-close detailed image of operating +40mm screens showing flattened native copper being removed; and large native copper nuggets of predominately native copper on the ROM with DSO containers in the background.

CuDeco is crushing high grade native copper ore from the ROM pad stockpile to produce various fractions and copper concentrate grades. To further increase the concentrate grades, the Company will be installing it's recently purchased ore sorter which has been designed to upgrade the native copper concentrate to around ~90%Cu at a rate of 200 tonnes per hour throughput.

The ore sorter was designed and constructed in Germany. Ore sorters are now used in an increasing number of mining and retreatment process plants around the world for upgrading feed to mineral processing plants. They can separate mineral from rock at a high speed and high feed rates. This also allows for process plants to be more efficient by processing more mineral and less rock.

CuDeco carried out bulk tests in using ore sorter offered for testwork in early 2014 from German manufacturer Steinert, on a trial basis. The ore sorter was operated at Rocklands with amazing success. Although the test programme only operated in the range of 15-30tph, the ore sorter upgraded the product to a ~75-90% Cu concentrate grade. The recently purchased ore sorter is a full production size capable of a 200tph throughput.

The main Rocklands mineral process plant is designed to process the -40mm native copper product at the rate of 9,000 tonnes per day (375 tonne per hour). The ore sorter will be included into the circuit to treat the +40mm fraction size, providing an additional ore supply of DSO. The Company has through its exhaustive testwork identified the benefits of separately processing the +40mm fraction scalped native copper product by adding the circuit into the existing crushing and screening plant circuit, thereby upgrading this scalped fraction to a very high-grade concentrate product, on an automated basis.

The -40mm product will be stockpiled for the main mineral process plant to be commissioned in early 2015.

Processing of the native copper ore through the crusher is ongoing and the ore sorter is expected to be added to the circuit, and commissioned in early December 2014.

On behalf of the Board.

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Figure 5: High-grade DSO (+40mm) scalped off the crusher screens, estimated at 90% Cu in this batch.

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.

Due to the high-grade and coarse nature of the native copper concentrate, copper content is determined visually by qualified and experienced geologists. Actual copper grades may vary from those stated and can only be reliably determined using smelting recovery analysis of copper product and waste generated from the smelting process.