

ROCKLANDS GROUP COPPER PROJECT (CDU 100%)

SUBSEQUENT EVENTS POST-QUARTER END

- Mr David J. E. Taylor resigned as Chairman and as a Director
- Appointment of Dr Noel Clarence White as Independent Chairman and Non-Executive Director

QUARTER HIGHLIGHTS

- Appointment of Dianmin Chen as Non-Executive Director
- Appointment of Mr Mark Roberts as General Manager

ROCKLANDS MAIDEN ORE RESERVE STATEMENT

- A Maiden Ore Reserve Estimate was prepared by Australian Mine Design and Development (AMDAD), based on the November 2013 Mineral Resource Estimate for Rocklands prepared by Mining Associates Pty Ltd.

ROCKLANDS FEASIBILITY STUDY

- To increase the Company's detailed disclosure and investor confidence, a Feasibility Study for the Rocklands Project is underway and nearing completion.

PROCESS PLANT CONSTRUCTION

- Electrical and instrumentation cabling is ~90% complete, and represents the final major undertaking for completion of the process plant.

MINING

- Mining temporarily suspended to conserve funds and align mining rates with process feed scheduling, which has experienced delays. Minor activities continue.

HEALTH AND SAFETY

- The workplace has had no recorded No Lost time Injuries (LTI's) for the three months ending December 2015.

HUMAN RESOURCES

- The workplace has a calculated average of full time employees and contractors totalling 424 workers for the three months ending December 2015.
- Recruitment of Process Plant staff has commenced and will be followed shortly by recruitment of additional mining crews.

ENVIRONMENT

- Air quality sampling
- Receiving water sampling events
- Beginning groundwater sampling for a new quarter
- Continuing to develop the Post Mine Land Use Plan

EXPLORATION

- At the end of 2015, a shallow Rotary Air Blast (RAB) bedrock drilling programme commenced at the first of several priority exploration targets.

CORPORATE

- Rocklands Group Copper Project Asset review
- Significant changes to Board and executive management team
- \$30m placement to Singaporean private investment company
- Non-renounceable Rights Issue progressed
- Logistics contract signed

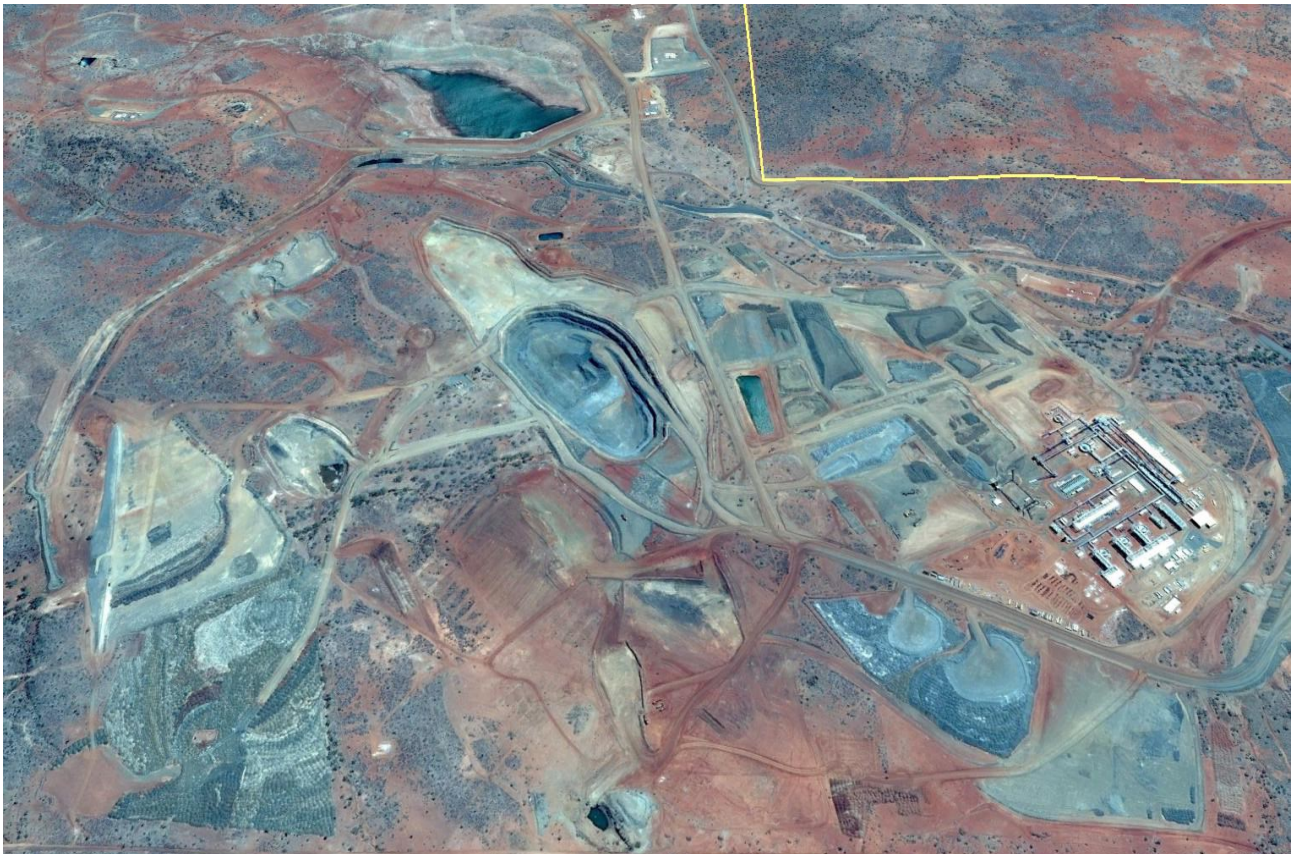


Figure 1: Aerial view of the Rocklands Project from late October 2015.

SUBSEQUENT EVENTS POST-QUARTER END

Mr David J. E. Taylor resigned as Chairman and as a Director of the Company

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

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

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

Appointment of Dr Noel Clarence White as Independent Chairman and Non-Executive Director

A new independent Non-Executive Director and Chairman, Dr Noel White, was appointed to guide the next stage of the Company's development.

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

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

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

QUARTER HIGHLIGHTS

ROCKLANDS MAIDEN ORE RESERVE STATEMENT

A Maiden Ore Reserve Estimate was prepared by Australian Mine Design and Development (AMDAD), based on the November 2013 Mineral Resource Estimate for Rocklands prepared by Mining Associates Pty Ltd. The Rocklands Maiden Ore Reserve Estimate was finalised as part of a Feasibility Study of the Rocklands Project currently being prepared by CuDeco and its consultants.

Total Ore Reserve: 28Mt @ 0.9% Spec_CuEq

(0.71% Cu, 0.14g/t Au, 357ppm Co, 6.7% Mag)

comprising

Proved Ore Reserve: 23Mt @ 1.0% Spec_CuEq

(0.77% Cu, 0.15g/t Au, 382ppm Co, 7.1% Mag)

and

Probable Ore Reserve: 5Mt @ 0.6% Spec_CuEq

(0.45% Cu, 0.11g/t Au, 232ppm Co, 5.0% Mag)

Within the Ore Reserve

High-grade Ore Reserve: 10Mt @ 1.61% Spec_CuEq

(1.39% Cu, 0.24g/t Au, 504ppm Co, 6.6% Mag)

Low-grade Ore Reserve: 17Mt @ 0.48% Spec_CuEq

(0.31% Cu, 0.08g/t Au, 269ppm Co, 6.8% Mag)

The Rocklands Ore Reserve Estimate has been finalised as part of a Feasibility Study of the Rocklands Project currently being prepared by CuDeco and its consultants. The Feasibility Study covers resource estimation, mining, processing, marketing, environment, community and financial modelling. The Feasibility Study indicates that the project is technically and economically viable for the metal prices assumed.

Reserve Estimate Highlights

- **Ore Reserve includes Proved Stockpiled ore of 2.2Mt @ 1.34% Spec_CuEq**

(1.02% Cu, 670ppm Co, 0.19g/t Au, 6.6% magnetite)

252,000 tonnes of contained copper metal equivalent

(199,000 tonnes of copper, 126,000 ounces of gold, 10,000 tonnes of cobalt and 1.9Mt tonnes of magnetite)

- **Strip ratio of 4.0:1**

Key contributors to the Reserve Estimate include:

- Australian Mine Design and Development Pty Ltd (Reserve Estimate, Pit Optimisation, Mine Design, and Scheduling)
- ATC Williams Pty Ltd (Tailings storage facility (TSF) design, construction schedule, TSF costs, and TSF water management)
- Mining Associates Pty Ltd (Mineral Resources)
- Pells Sullivan Meynink (Pit wall design guidelines)
- CuDeco (Ore processing costs, general site operating costs, metallurgical recoveries and metal prices)

For further details see ASX announcement 11 December 2015.

PROCESS PLANT CONSTRUCTION

Many areas of the process plant have reached the final stage of installation and construction, to the extent that most of the mechanical install contractors have demobilised. The electrical and instrumentation contract undertaken by CuDeco's principal contractor, Sinosteel Equipment and Engineering is nearing completion and is ~90% complete. This contract represents the final major undertaking for completion of the process plant.

A Honeywell Australia representative spent two weeks in November assisting with set up of the Distributed Control System (DCS).

Other activities during the period include;

- The contractor is well into the installation of pipe racks and cabling
- Construction of process plant workshop pad and concrete slab is completed
- High-density polyethylene (HDPE) lining of process plant water storage facilities completed
- Buried high voltage cable installation is nearing completion

- The fuel farm and supply piping to the power station installation is underway
- Installation of new cone crusher into the primary crushing plant is underway

Minor civils and infrastructure still ongoing or recently completed:

- Ore-feed port and feeder installation are underway.
- Installation of decant pond/filter wall at the Tailings Storage Facility (TSF)
- Raw water and process water pond lining

Process Plant Commissioning:

- DCS I/O testing underway for HPGR, scrubber and jigging areas
- Valve testing in high pressure grinding rolls (HPGR), scrubber and jigging areas
- Conducted preliminary ore testing of Conveyors CV3201, CV3202, FE3202 and CV3203
- Commissioning of cooling tower and cooling water system with water, some DCS issues to be rectified
- Commissioning of raw water pumps with water, some DCS issues to be rectified
- Commissioning of tails gland water pumps with water
- Leak testing of raw water piping, cooling water system, thickeners and gland water tanks

Upcoming activities:

- Hazardous area dossier completion
- Construction of process plant workshop
- Relocation of laboratory and purchase of laboratory equipment
- Recruitment of commissioning and operations personnel
- Fabrication and installation of reagents storage shed
- Installation and commissioning of new cone crusher for primary crushing plant
- Fuel farm installation for power station – underway

MINING

Mining activities have been temporarily suspended to conserve cash, with a small crew remaining to focus on infrastructure projects. Small scale mining (predominately overburden removal) has been ongoing as time permits, and is expected to re-commence in April 2016.

To date around 14.6Mt has been mined at the Rocklands Project, sourced from production pits (13.8Mt - including organic strip-back, waste pre-strip and production), and some 0.80Mt from non-pit related development activities. Ore/waste movements from all sources to date include;

- Morris Creek Diversion Channel (MCD) - 0.65Mt free-dig and blasting
- Water Storage Facility (WSF) - 0.12Mt free-dig
- Production pits - 13.8Mt free-dig and blasting, includes pit strip-back of topsoil and selective mining of waste.

Maintenance work is continuing on the Mining Fleet to ensure readiness for Mining activity to recommence.

EXPLORATION

Exploration activity has been scaled back to allow the focus of Rocklands staff and assets to concentrate on development activities, and to reduce cash spend as part of the wider cost-cutting measures recently employed at Rocklands.

Minor low-cost activity is ongoing however, including soil sampling, bedrock drilling, desk-top interpretation, and field reconnaissance.

A significant quantity of samples await dispatch.

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Desk-top analysis of geophysical surveys has identified numerous targets for future follow-up drilling, including several major targets along strike and/or offset to the flagship Las Minerale orebody. Extensions to known mineralisation were also investigated, with a view to further drilling and resource definition.

Contingent drilling programmes have been prepared.

EPM18054

Low-level exploration has been ongoing at EPM18054 where bedrock drilling along existing roads has been completed whilst we awaited native title and landowner agreements for off-road activities. Several anomalous copper zones have been identified and will be followed up in future exploration.

At the end of 2015, a shallow Rotary Air Blast (RAB) bedrock drilling programme commenced at the first of several priority exploration targets.

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

The areas targeted bridge numerous geological settings and as such provide several exploration models that will require careful geological assessment in determining the significance of results. Field reconnaissance has also identified copper occurrences at geologically important locations, including previously unknown historic copper “gouges” that do not appear in historic records.

EPM25426

EPM25426 will be concurrently explored with EPM18054 due to several interpreted structures of interest, and significant targets straddling both properties. Initial field reconnaissance work has been undertaken in select areas and is ongoing.

HEALTH AND SAFETY

The workplace has had no recorded No Lost time Injuries (LTI's) for the three months ending December 2015.

Personal and team base Risk Management is showing a good safety focus and trend in the workplace. Health Safety Environment and Community (HSEC) Safety Focus:

- A review of current site Procedures and Processes
- A review of the HSEC Management system
- Development of Golden Life Saving Rules in line with the high risk activities
- Development of audit tool for each High risk activity to ensure we appropriately manage the risks

HUMAN RESOURCES

At the end of December the Rocklands workforce stood at ~406, consisting of 108 CuDeco employees and ~298 contractors, less than the average for the quarter.

CuDeco continues to place a priority on working with the Cloncurry Community by actively participating in the Community and engaging local suppliers of employment and training. The Company continues to promote Community inclusion by encouraging locals to apply for vacancies or encouraging new recruits to relocate to Cloncurry. CuDeco has adopted a no fly-in/fly-out (FIFO) policy.

The formation of good working relationships with other employment stakeholders, in the Mount Isa/ Cloncurry area, continues to support our focus of a local workforce. This relationship is beneficial in securing the necessary skills and experience to assist in establishing a strong workforce. Our emphasis is placed on identified training that will increase skill capacity for local candidates, in addition to the completion of a training needs analysis to identify target areas within our workforce.

The CuDeco Workforce, which has a residential ratio of 70:30, supports the local Community by participating in and utilising local services.

ENVIRONMENT

It was another busy quarter for the Environment department, with many activities being implemented including;

- Air quality sampling
- Receiving water sampling events
- Beginning groundwater sampling for a new quarter
- Continuing to develop the Post Mine Land Use Plan

CORPORATE

Rocklands Group Copper Project Asset review

Each year, as part of the financial statements reporting process, CuDeco assesses the carrying value of its Rocklands project assets. The assessment is reflective of current challenging market and economic conditions and various delays to the construction process.

Based on these factors, the Company recognised a non-cash impairment charge of approximately \$109 million, with the Company's Rockland's asset book value subsequently valued at \$405 million. This non-cash impairment will not affect the Company's debt facility with the China Minsheng Banking Corporation.

Finalisation of the asset impairment calculation facilitated release of the full year accounts, which were delayed.

\$30m placement to Singaporean private investment company

Singaporean private investment group Rich Lead invest \$30 million into CuDeco by way of a subscription for 37,500,000 new ordinary shares ("Ordinary Shares") at a price of \$0.80 per share (the "Subscription"), earning an 11.9% equity interest. The funding allows CuDeco to proceed with smaller Revised Rights Issue at a higher share price. Funds raised will be used towards completing the construction and commissioning of the 100% owned Rocklands Group Copper Project

Following the investment, the Board determined not to proceed with the investment proposal announced on 29 October 2015, concerning a proposed investment by a United Kingdom-based institutional investor.

However, the Company's management remains in discussions with the investor concerning an alternative proposal.

Significant changes to Board and executive management team

Appointment of nominee Director

Dr Dianmin Chen joined the Board of Directors as the nominee Director for Rich Lead Pte Limited (Rich Lead). Dr Chen's appointment follows the successful completion of the \$30 million share placement to Rich Lead.

Dr Chen holds a Bachelor of Science in Mining Engineering (China) and a PhD in mining Geomechanics (Australia). Dr Chen has extensive experience in the mining industry including 10 years with Barrick Gold, General Manager of Sino Jinfeng Gold Mine in China, Chief Operating Officer of CITIC Pacific Mining responsible for the development of a large iron ore mine, and he was appointed CEO and Managing Director of Norton Gold Fields in August 2012 until August 2015.

Dr Chen remains a non-executive Director of Norton Gold Fields.

Appointment of General Manager of Rocklands.

Mr Mark Roberts joined CuDeco as Managing Director in late November 2015. He has more than 35 years' industry experience, including various managerial roles within Glencore Xstrata's operations at Mount Isa and Townsville. At Xstrata, he played a major role in improving the financial performance of both the copper and zinc operations, including for the copper refinery, port and logistics.

His commitment to the region's development is shown by previous roles as principal adviser infrastructure to Townsville Enterprise, along with serving as chairman of Townsville-based training organisation Tec-NQ and as a committee member for various North Queensland strategic development studies.

Non-renounceable Rights Issue

The Company is presently finalising the documentation and timetable of the Revised Rights Issue and will update the market upon its completion. The Company hopes to relist on the ASX upon the completion of the Revised Rights Issue documentation.

Highlights:

- Non-Renounceable Revised Rights Issue to raise \$63 million at an issue price of \$0.80
- The Company is in advanced discussions with an Underwriter for the Rights Issue
- Funds raised to be used towards completing the construction and commissioning of the 100% owned Rocklands Group Copper Project

The proposed underwriting is subject to the execution of a formal underwriting agreement the details of which will be required to be included in the Prospectus for the Rights Issue. The Prospectus is therefore now expected to be lodged with the ASX and the Australian Securities and Investments Commission as soon as the following steps are completed:

- a. execution of any underwriting agreement;
- b. updating of the Prospectus to reflect the possible Underwriting agreement; and
- c. receipt of the consents from its directors for the lodgement of the Prospectus.

Logistics contracts signed - mine to port haulage and bulk fuel supply

A five-year (with a further 5 year option) Mine to Port Transport and Logistics Agreement was signed with Townsville Bulk Storage and Handling (TBSH).

The logistics contract supplements the signing of a bulk fuel supply and delivery agreement also with

TBSH to supply and deliver up to 750,000 litres of diesel per week, to fuel CuDeco's constructed 28 MW cummings Power Station, its mining fleet and light vehicles.

TBSH is a trusted and established transport, warehousing and stevedoring service provider, and the largest privately owned full-service provider in north Queensland. They offer a fully integrated haulage and port services solution, managing the entire logistics chain. A single service provider that controls and manages all aspects of the logistics chain is attractive to CuDeco, to ensure a trouble-free and reliable service.

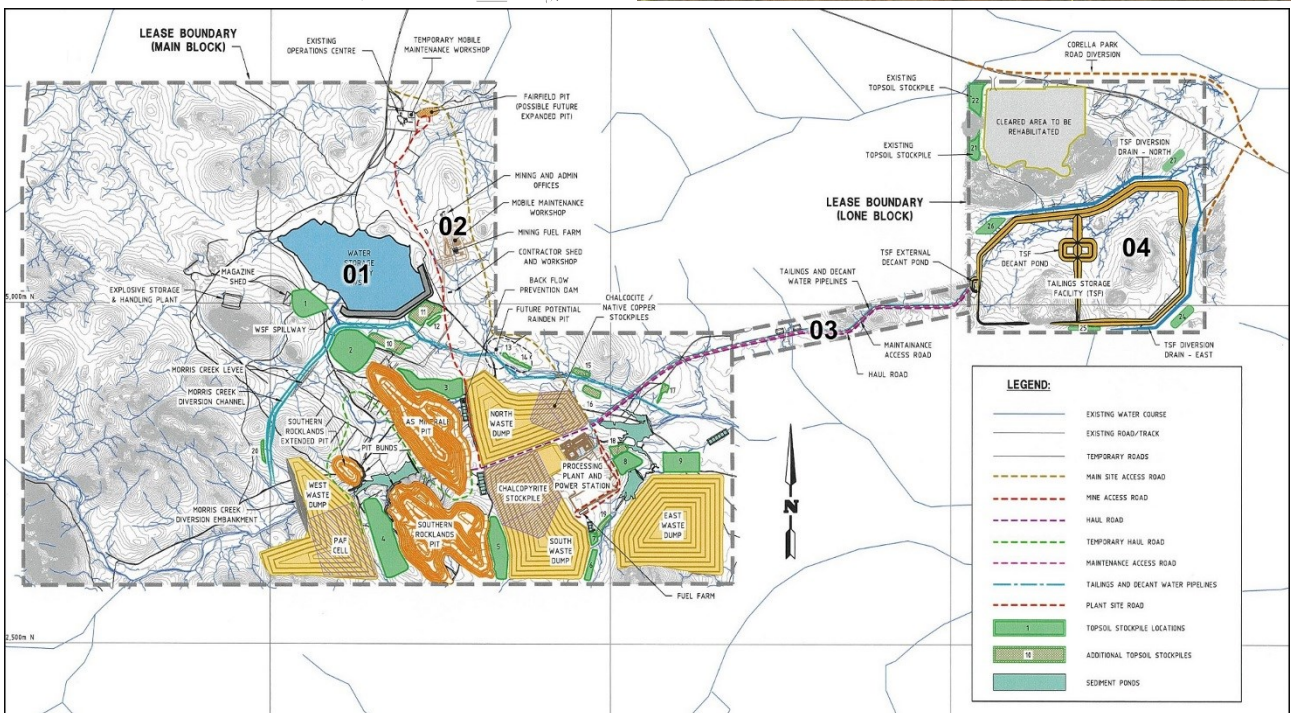
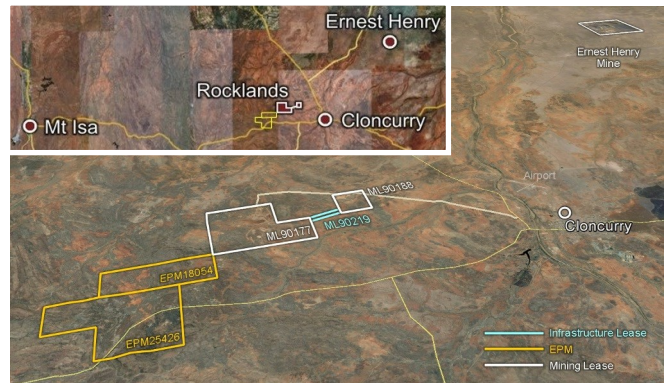
Rocklands concentrate product will be shipped in closed half-height containers from the mine site through to Townsville, where it will be loaded on to ships for delivery to local and international markets by sea. The entire logistics chain will be managed by TBSH, including transport of up to 850,000 tonnes of Copper and Cobalt/Pyrite concentrates (+including gold/silver credits), over the first five years of production from the Rocklands mine site. The agreement includes;

- Loading and trucking of concentrate product from the Rocklands mine site to Townsville, in closed dust-proof containers;
- Road transport of the dust-proof containers between Cloncurry and Townsville;
- Storage of concentrate in closed containers at TBSH depot in Townsville; and
- Direct loading of concentrate product onto ships at the Port of Townsville using retainer technology.

The agreement also includes the supply of half-height closed containers and back-delivery of same on returning trucks, at no additional cost to CuDeco. It replaces CuDeco's previously announced proposed loading and storage facilities in Cloncurry and Townsville, saving the Company an estimated \$80 million in capital works.

On behalf of the board.

- ends



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

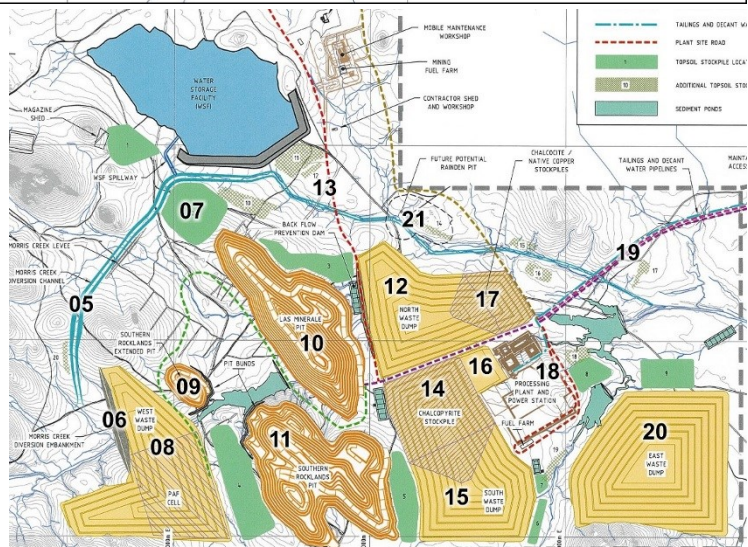


Figure 2: General Arrangement plans and location references.

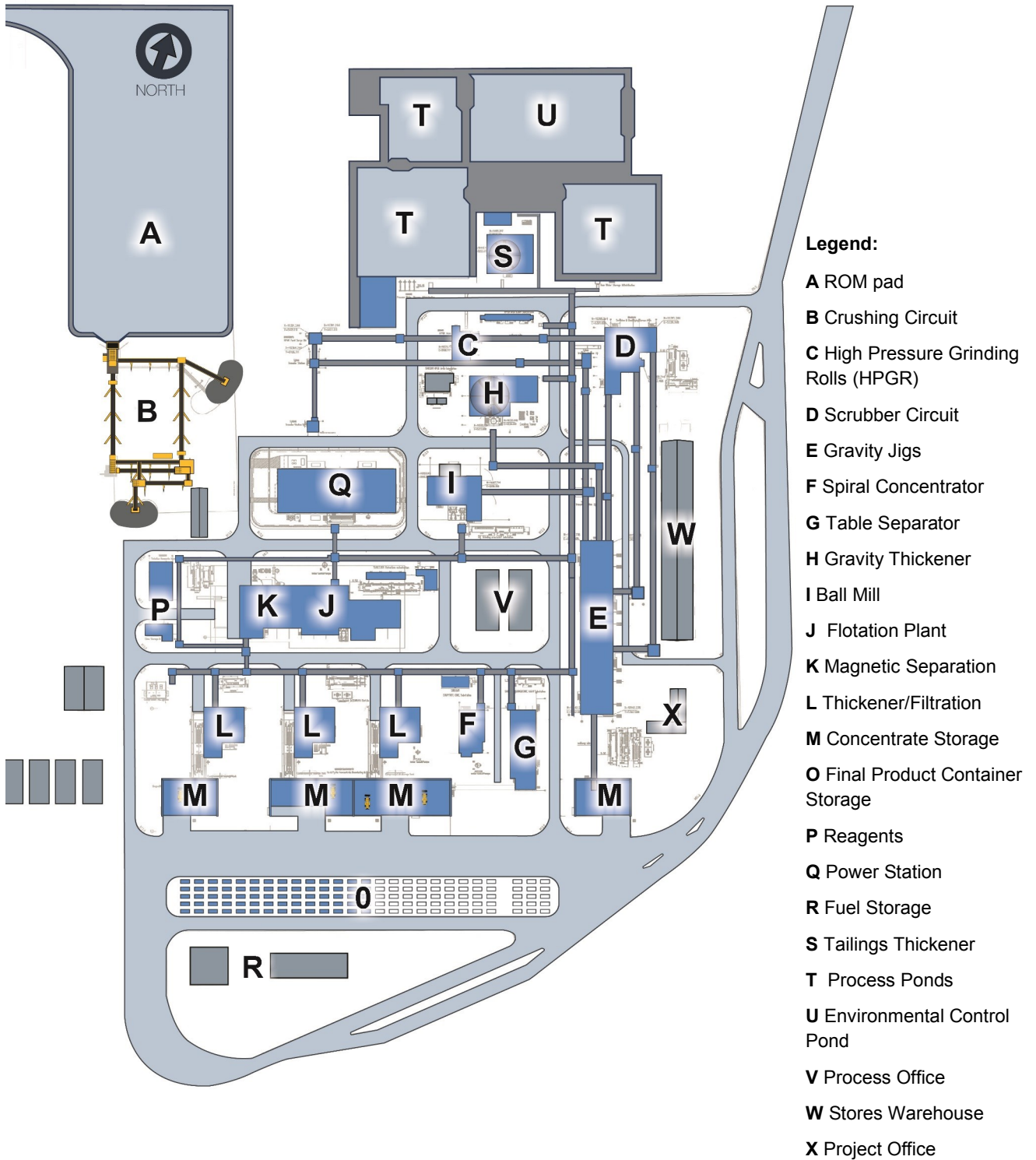


Figure 3: Process Plant - schematic location plan with key areas noted in approximate process flow-sheet order

Measured Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	83	0.36	273	0.09	6.4	0.74	1.0	669	1,369	1,787
0.40	44	0.63	355	0.13	5.6	1.13	1.3	614	1,108	1,300
0.80	19	1.23	504	0.22	5.8	1.96	2.2	506	809	894
Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	98	0.16	226	0.07	6.5	0.47	0.7	339	1,021	1,518
0.40	40	0.32	287	0.13	4.1	0.74	0.9	282	652	779
0.80	11	0.68	405	0.19	3.0	1.28	1.4	170	319	346
Total Measured and Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	181	0.25	248	0.08	6.5	0.60	0.8	1,008	2,390	3,306
0.40	84	0.48	323	0.13	4.9	0.95	1.1	896	1,759	2,079
0.80	30	1.02	467	0.21	4.8	1.71	1.9	676	1,128	1,240
Inferred Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	91	0.06	146	0.09	4.6	0.3	0.4	117	573	902
0.40	12	0.24	200	0.10	2.6	0.5	0.6	63	142	166
0.80	0.5	0.54	413	0.12	3.2	1.1	1.2	6	12	13
Total Resource Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	272	0.19	214	0.08	5.9	0.5	0.7	1,125	2,962	4,208
0.40	96	0.45	308	0.13	4.6	0.9	1.1	959	1,902	2,244
0.80	30	1.01	466	0.21	4.8	1.7	1.9	681	1,140	1,253

Additional Magnetite only Inferred Resource Rocklands Resource November 2013 at various cut-off grades						
cut-off	Tonnes	Estimated Grade				Contained Magnetite
Magnetite		Cu	Co	Au	Mag	
%	Mt	%	ppm	ppm	%	Mt
10	328	0.02	70	0.01	14.3	47
15	102	0.02	78	0.01	19.5	20
20	26	0.01	77	0.00	26.6	7

Note - Figures have been rounded to reflect level of accuracy of the estimates

*Copper equivalent CuCoAu% = Cu % + Co ppm*0.001232 + Au ppm*0.518238

*Copper equivalent CuEq% = Cu % + Co ppm *0.001232 + Au ppm *0.518238 + magnetite %*0.035342

This information is extracted from the report entitled "Rocklands Resource Update 2013" created on 29 November 2013 and is available to view on www.cudeco.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

"The information in this release that relates to Ore Reserves is based on information compiled by Mr John Wyche, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wyche is employed by Australian Mine Design and Development Pty Ltd. Mr Wyche has sufficient experience which is relevant to the style of mineralisation, type of deposit and method of mining under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wyche consents to the inclusion in this release of the matters based on his information in the form and context in which it appears."

Table 1 Rocklands Group Copper Project Ore Reserves

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% Spec_CuEq
Proved	OX	1.1	0.89	305	0.16	3.1	0.76
	NC_OX	0.3	1.65	736	0.23	1.9	1.55
	NC_CC	1.8	1.81	766	0.24	2.6	1.88
	NC_CPY	2.0	0.93	617	0.15	3.8	1.16
	CC	0.3	0.82	311	0.18	3.5	0.91
	CPY	13.8	0.72	343	0.15	9.9	1.00
	BG	3.7	0.26	213	0.07	2.2	0.29
	Total	23	0.77	382	0.15	7.1	0.97
Probable	OX	0.02	0.58	404	0.06	3.7	0.52
	NC_OX	0.1	1.09	316	0.15	1.5	1.01
	NC_CC	0.4	0.78	313	0.10	2.7	0.84
	NC_CPY	0.5	0.66	267	0.11	2.9	0.74
	CC	0.1	0.47	266	0.11	2.8	0.53
	CPY	2.7	0.40	221	0.13	7.0	0.61
	BG	0.9	0.26	199	0.05	2.0	0.29
	Total	5	0.45	232	0.11	5.0	0.58
Proved and Probable	OX	1.1	0.88	307	0.16	3.1	0.75
	NC_OX	0.3	1.55	664	0.21	1.9	1.46
	NC_CC	2.2	1.61	678	0.21	2.6	1.67
	NC_CPY	2.5	0.88	548	0.14	3.6	1.08
	CC	0.4	0.75	302	0.17	3.4	0.83
	CPY	16.5	0.67	323	0.15	9.4	0.94
	BG	4.6	0.26	210	0.06	2.2	0.29
	Total	28	0.71	357	0.14	6.7	0.90

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.

Tenement Information

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

- The mining tenements held at the end of December 2015 and their location;

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

- The mining tenements acquired and disposed of during the December 2015 quarter and their location.

Nil

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the December 2015 quarter.

Nil

- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the December 2015 quarter.

Nil

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Representative 1 metre samples were taken from ¼ (NQ, HQ) or ½ (NQ, BQ) diamond core.</p> <p>Representative 1 metre samples were taken from Reverse Circulation (RC) drilling, from which 3kg sub-samples were used for sample analysis.</p> <p>Blast-hole samples are taken in 5m composites through a riffle splitter. Composites can vary in length due to variations in end-of-hole depths.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Diamond (DDH) of NQ, PQ, HQ and BQ diameters with standard and triple tube sample recovery and reverse circulation (RC) with "through the bit" sample recovery data were used for geological interpretation and resource estimation.</p> <p>Blast-holes reported are open-hole Rotary Air Blast (RAB).</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>DD core recovery for drill holes were close to 100%, with 99.9% of samples above 98% in reported meters.</p> <p>RC - Possible loss of native copper in the weathered portion of the mineralised zone has been identified and could result in an underestimation of the copper grade when based on RC drill data, in certain circumstances. This could not be reliably quantified and no correction to the data or estimates has been made, in the resource estimate dated November 2013.</p> <p>Blast-hole sample recoveries are greater than 70% average.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.</i></p>	<p>Drill core was photographed after being logged by the geologist.</p> <p>Drill core not used for bulk metallurgical testing and the portion of DD core not sent for analysis are stored at the Rocklands site.</p> <p>Samples of drill chips from RC drilling are stored at Rocklands core shed.</p>

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<p><i>Sub-sampling techniques and sample preparation</i></p>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>All DD core was orientated along the bottom of hole, where possible. A cut line was drawn 1 cm to the right of the core orientation line.</p> <p>Core was cut with a diamond saw, ½ core was used for NQ and ¼ core was used for PQ</p> <p>Sample intervals were 1m down-hole in length unless the last portion of DD hole was part of a meter.</p> <p>SGS Minerals Townsville Sample Preparation:</p> <p>All samples were dried. Drill core was placed through jaw crusher and crushed to approx. 8mm. RC chips and core were split if necessary to a sample of less than approximately 3.5kg.</p> <p>Native copper samples were prepared by 2 methods. Grain size of native copper determined which method was used;</p> <p>Samples where native copper grain size was less than 2mm were disc ground to approximately 180µm. 500g was split and lightly pulverised for 30 seconds to approximately 100µm.</p> <p>Samples where native copper grain size was greater than 2mm were put through a roller crusher to approximately 3mm. Samples were sieved at 2mm with copper greater than 2mm hand picked out of sample. Material less than 2mm and residue above 2mm was disc ground to approximately 180µm. 500g was split from the sample and lightly pulverised for 30 seconds to approximately 100µm.</p> <p>All other sampled material not containing native copper was pulverised to a nominal 90% passing 75µm.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>Cu and Co grades were determined by 3 acid digest with either a ICP-AES (Inductively-Coupled Plasma Atomic Emission Spectrometer) or AAS (Atomic absorption Spectrometer) determination (SGS methods, ICP22D, ICP40Q, AAS22D AAS23Q, AAS40G).</p> <p>Au grades were determined by 50g Fire Assay (at SGS Townsville method FAA505).</p> <p>All analyses were carried out at internationally recognised, independent assay laboratory SGS.</p> <p>Quality assurance was provided by introduction of known certified standards, blanks and duplicate samples on a routine basis.</p> <p>Assay results outside the optimal range for methods were re-analysed by appropriate methods. Copper assay results differ little between acid digest methods but cobalt assay results show a significant underestimation when analysed using the AAS.</p> <p>Ore Research Pty Ltd certified copper and gold standards have been implemented as a part of QAQC procedures, as well as coarse and pulp blanks, and certified matrix matched copper-cobalt-gold standards. Performance for standards has been adequate.</p> <p>QAQC monitoring is an active and ongoing process on batch by batch basis by which unacceptable results are re-assayed as soon as practicable.</p>

JORC Table 1 - Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.</i>	Results between twinned RC and diamond holes are in approximate agreement, when taken into consideration with the natural variation associated with breccia-hosted ore bodies, identified coarse mineralisation, and subsequent weathering overprinting. All assay data QAQC is checked prior to loading into the CuDECO Explorer 3 data base. No adjustments have been made to assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.</i>	All drill holes at Rocklands have been surveyed with a differential global positioning system (DGPS) to within 10 cm accuracy and recorded in the CuDECO databases.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.</i>	Drilling has been completed on nominal local grid north-south sections, commencing at 100m spacing and then closing to 50m and 25m for resource estimation. Local drilling in complex near-surface areas is further closed in 12.5m Vertical spacing of intercepts on the mineralised zones similarly commences at 100m spacing and then closing to 50m and 25m for resource estimation, again some closer spacing is used in complex areas. Drilling has predominantly occurred with angled holes approximately 55° to 60° inclination below the horizontal and either drilling to the local grid north or south, depending on the dip of the target mineralised zone. Holes have been drilled to 600m vertical depth The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and has been taken into account in 3D space when determining the classifications to be applied. Samples were composited to 2m down-hole for resource estimation in the known wireframe constrained mineralised zones and 10m downhole in the general lithology zone (Inferred only). Blast-drilling is either 3x3 or 3x4 grid-pattern over blast areas.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Drilling has been completed on local north-south section lines along the strike of the known mineralised zones and from either the north or the south depending on the dip Vertical to South dipping ore bodies, Las Minerale, Rocklands South Extended, Rainden and Solsbury Hill, were predominantly drilled to the north whilst Vertical to Northing Dipping ore bodies, Las Minerale East, Rocklands South, Rocklands Central and Le Meridian were predominantly drilled to the south. Scissor Drilling, (drilling from both north and south), as well as vertical drilling, has been used in key mineralised zones at Las Minerale and Rocklands South, to achieve unbiased sampling of possible structures, mineralised zones and weathering horizons. Horizontal layers of supergene enrichment occur at shallow depths in Las Minerale and Rocklands South and a vertical drill program has been drilled at right angles to address this layering and to provide bulk samples for metallurgical test work. Blast drilling occurred vertically through apparent flat laying enriched high grade supergene zones.

Sample security	The measures taken to ensure sample security.	Samples are either dispatched from site through a commercial courier or company employees to the Laboratories. Samples are signed for at the Laboratory with confirmation of receipt emailed through. Samples are then stored at the laboratory and returned to a locked storage shed on site.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	CuDECO conducts internal audits of sampling techniques and data management on a regular basis, to ensure industry best practice is employed at all times.

JORC Table 1 - Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary																																																																																					
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Rocklands Project is located within granted mining leases ML90177 and ML90188, and Infrastructure Lease ML90219. Landowner agreements formed part of the granting, and remain current for the duration of the mining leases. Native Title Ancillary agreements have been signed with the Mitakoodi & Mayi peoples and the Kalkadoon peoples, the local custodians of the areas covered by the mining leases. Mining Leases detailed above are granted for a period of 30 years; there is no known impediment to operating for this period of time. The Project operates under a Plan of Operations, the most recent of which covers the period January to December 2015.																																																																																					
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Previous reports on the Double Oxide mine by CRA and others between 1987 and 1994 describe a wide shear zone containing a number of sub parallel mineralised zones with a cumulative length of 6 km.																																																																																					
Geology	Deposit type, geological setting and style of mineralisation.	Hosted within metamorphosed meso-Proterozoic age volcano-sedimentary rocks and intrusive dolerites of the Eastern Fold Belt of the Mt Isa Inlier. Dominated by dilational brecciated shear zones containing coarse patchy to massive primary mineralisation, with high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper in oxide. Structures hosting mineralisation are sub-parallel, east-southeast striking and steeply dipping. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) style deposits. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.																																																																																					
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: eastings and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Resource grades reported according to November 2013 Resource Estimate, based on the following drill-type distribution; <table border="1" data-bbox="730 1518 1273 1863"> <thead> <tr> <th>Drilling Type</th> <th></th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">RAB</td> <td># holes</td> <td>1514</td> <td>499</td> <td>1668</td> <td>145</td> <td>3826</td> </tr> <tr> <td>metres</td> <td>7820</td> <td>2819</td> <td>18741.5</td> <td>2211</td> <td>31591.5</td> </tr> <tr> <td rowspan="2">DD</td> <td># holes</td> <td>239</td> <td>111</td> <td>235</td> <td>28</td> <td>613</td> </tr> <tr> <td>metres</td> <td>47286.04</td> <td>17386.68</td> <td>24749.41</td> <td>7507.9</td> <td>96930.03</td> </tr> <tr> <td rowspan="2">RC</td> <td># holes</td> <td>1491</td> <td>84</td> <td>2</td> <td></td> <td>1577</td> </tr> <tr> <td>metres</td> <td>221263.1</td> <td>9850.8</td> <td>195.7</td> <td></td> <td>231309.6</td> </tr> <tr> <td rowspan="2">Geotech DD</td> <td># holes</td> <td></td> <td></td> <td>8</td> <td></td> <td>8</td> </tr> <tr> <td>metres</td> <td></td> <td></td> <td>182.6</td> <td></td> <td>182.6</td> </tr> <tr> <td rowspan="2">Open Hole</td> <td># holes</td> <td></td> <td></td> <td>1</td> <td>6</td> <td>7</td> </tr> <tr> <td>metres</td> <td></td> <td></td> <td>285</td> <td>1394</td> <td>1679</td> </tr> <tr> <td rowspan="2">Total</td> <td># holes</td> <td>3109</td> <td>684</td> <td>1914</td> <td>179</td> <td>5886</td> </tr> <tr> <td>metres</td> <td>276369.14</td> <td>30056.48</td> <td>44154.21</td> <td>11112.9</td> <td>361692.73</td> </tr> </tbody> </table> Grade control results based on composite assays from close-spaced production blast-hole drilling.	Drilling Type		2010	2011	2012	2013	Total	RAB	# holes	1514	499	1668	145	3826	metres	7820	2819	18741.5	2211	31591.5	DD	# holes	239	111	235	28	613	metres	47286.04	17386.68	24749.41	7507.9	96930.03	RC	# holes	1491	84	2		1577	metres	221263.1	9850.8	195.7		231309.6	Geotech DD	# holes			8		8	metres			182.6		182.6	Open Hole	# holes			1	6	7	metres			285	1394	1679	Total	# holes	3109	684	1914	179	5886	metres	276369.14	30056.48	44154.21	11112.9	361692.73
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JORC Table 1 - Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	<p>In order to be consistent 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.</p> <p>Metal equivalents are reported using the following formula.</p> <p>CuCoAu equivalent grades were based on metal prices and metallurgical recoveries provided by CUDECO and refer to recovered equivalents:</p> <p>Cu 95% recovery US\$2.00 per Pound Co 90% recovery US\$26.00 per Pound Au 75% recovery US\$900.00 per Ounce Magnetite 75% recovery US\$195 per Tonne</p> <p>The recovered copper equivalent formula was: $CuEq\% = Cu\% + Co\text{ ppm} * 0.001232 + Au\text{ ppm} * 0.518238 + Mag\% * 0.035342$</p> <p>Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths.</p> <p>Exploration results have been reported as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported.</p> <p>Grade control grade estimates are calculated from blast-hole assay averages, constrained to ore-type domains within each mined flitch.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	<p>Resource Model;</p> <p>Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths.</p> <p>Exploration results have been reported as an interval with from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported.</p> <p>Resource estimation, as reported later, was done in 3D space.</p> <p>Grade control;</p> <p>As per resource model above, however drill-holes are generally evenly spaced and vertical, negating the need for de-clustering of data.</p>
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer JORC Report November 2013

JORC Table 1 - Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Resources have been reported at a range of cut-off grades, above a minimum suitable for open pit mining.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Extensive work in these areas has been completed, and was reported in detail by CuDeco in earlier statements to the ASX.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	CuDeco is currently mining and stockpiling ore. The mineralisation is open at depth. Current estimates are restricted to those expected to be reasonable for open pit mining. Limited drilling below this depth (-250m RL) shows widths and grades potentially suitable for underground extraction. CuDeco are currently considering target sizes and exploration programs to test this potential to 1,000m from surface.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(27) (6,019) - (1,271)	(88) (11,802) - (2,283)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	57
1.5 Interest and other costs of finance paid	(187)	(1,472)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(7,451)	(15,588)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (8,662)	- - (9,528)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 (Increase)/Decrease in security deposits	(4,212)	(4,212)
Net investing cash flows	(12,874)	(13,740)
1.13 Total operating and investing cash flows (carried forward)	(20,325)	(29,328)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(20,325)	(29,328)
1.14	Proceeds from issues of shares, options, etc.	30,001	30,001
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	8,333
1.17	Repayment of borrowings	(2,000)	(2,000)
1.18	Dividends paid	-	-
1.19	Other – Borrowing costs	-	-
	Other – Shares acquired under employee share plan	-	-
	Net financing cash flows	28,001	36,334
	Net increase (decrease) in cash held	7,674	7,004
1.20	Cash at beginning of quarter/year to date	3,072	3,574
1.21	Exchange rate adjustments to item 1.20	-	168
1.22	Cash at end of quarter	10,746	10,746

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	198
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors fees and salaries	198

Non-cash financing and investing activities

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

Nil

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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	3,000
4.3 Production	-
4.4 Administration	1,200
Total	4,230

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,727	3,072
5.2 Deposits at call	9,019	-
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10,746	3,072

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

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

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	315,422,559	315,422,559	
7.4	Changes during quarter (a) Increases through issues - Share Placement - Option Conversion (b) Decreases through returns of capital, buy-backs	37,500,000 392	37,500,000 392	80 250 80 250
7.5	*Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	-	-	Exercise price	Expiry date
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	392	392		
7.10	Expired during quarter	22,599,031	22,599,031		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~ ~~(delete one)~~ give a true and fair view of the matters disclosed.



Sign here: _____
(~~Director~~/Company secretary)

Date: 31 January 2016

Print name: Bruno Bamonte

Notes

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.