



5 February 2016

Dear Shareholder

NOTICE REGARDING NON-RENOUNCEABLE RIGHTS ISSUE

On behalf of the Board, CuDeco Limited thanks you for your support and wishes to offer you the opportunity to participate in the Company's development into the next Australian copper exporter.

Rights Issue

CuDeco Limited (ACN 000 317 251) (**CuDeco**) is pleased to announce the issue of its Prospectus with respect to a non-renounceable rights issue to Eligible Shareholders, on the basis of 1 new fully paid ordinary share for every 4 shares held, at an issue price of \$0.80 per share (**New Shares**), to raise approximately \$63.1 million (before costs) (**Rights Issue**).

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 5 February 2016.

Eligibility

The Rights Issue will be available to all registered shareholders who hold shares at 7.00pm Perth time on Thursday 11 February 2016 (**Record Date**) with registered addresses in Australia, New Zealand, Hong Kong, Singapore or the People's Republic of China (to the extent that the shareholders in the People's Republic of China are qualified domestic institutional investors) (**Eligible Shareholders**). Eligible Shareholders must also comply with their local laws and are responsible for determining whether any such laws may restrict them from participating in the Rights Issue.

In accordance with the ASX Listing Rules, in determining eligibility CuDeco considered the number of shareholders with registered addresses outside of Australia and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities for shareholders with registered addresses outside of Australia, New Zealand, Hong Kong,

Singapore or the People's Republic of China (to the extent that the Shareholders are qualified domestic institutional investors), the Company formed the view that it was unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia, New Zealand, Hong Kong and Singapore and those shareholders who are not qualified domestic institutional investors in the People's Republic of China will not be entitled to participate in the Rights Issue.

Prospectus

The Rights Issue is being made in accordance with section 710 of the Corporations Act. The proposed Prospectus to be issued to Eligible Shareholders was lodged with ASIC and ASX on 5 February 2016 and is available on the Company's website www.cudeco.com.au and the ASX website. CuDeco will send the final Prospectus to Eligible Shareholders on 16 February 2016, as set out in the timetable below.

Purpose

The purpose of the Rights Issue is to raise approximately \$63.1 million, excluding the costs of the Rights Issue. The funds raised from the Rights Issue will be used:

- (a) to complete the construction and commissioning of the Rocklands Group Copper Project;
- (b) to repay existing short-term shareholder loans; and
- (c) for working capital (including contingencies) for the business through to the generation of positive cash flow.

Timetable

A proposed timetable for the Rights Issue is set out below:

Lodgement of Prospectus with ASIC	Friday 5 February 2016
Notice to Shareholders containing Appendix 3B information	Monday 8 February 2016
Existing shares quoted on an ex rights basis	Tuesday 9 February 2016
Record Date for the Offer (7:00pm Perth time)	Thursday 11 February 2016
Prospectus and Entitlement and Acceptance Form despatched to Shareholders and despatch announced to	Tuesday 16 February 2016
Opening Date of Offer (9:00 am Perth time)	Tuesday 16 February 2016
Closing Date of Offer (5:00pm Perth time)	Friday 26 February 2016
Advise ASX of any Shortfall	Wednesday 2 March 2016
Trading Halt lifted – Ordinary shares recommence trading	Wednesday 2 March 2016

Allotment of New Shares	Friday 4 March 2016
Commencement of trading of New Shares on ASX	Monday 7 March 2016
Expected date of despatch of holding statements for New Shares	Tuesday 8 March 2016
Final date for placement of any Shortfall (3 months following Closing Date)	Thursday 26 May 2016

This timetable is indicative only and may be subject to change including as necessary to meet the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules.

Underwriting

The Company has engaged Australian-based Paradigm Securities as lead manager and underwriter for the Offer. China Oceanwide International Investment Co. Limited (**Oceanwide**), Rich Lead Investment Pte Limited (**Rich Lead**), New Apex Asia Investment Limited (**New Apex**) and Sinosteel Equipment and Engineering Co. Ltd have all confirmed to the Company that they will be taking up their full entitlements under the Offer. Furthermore, Oceanwide, Rich Lead, New Apex and AM Capital Limited have been appointed by Paradigm Securities as sub-underwriters.

Other Terms

The Company anticipates that 78,855,640 New Shares will be issued. Eligible Shareholders will be entitled to apply for any shortfall in addition to subscribing for their full entitlement to New Shares.

Upon completion of the Rights Issue, and assuming it is fully subscribed, the issued capital of CuDeco will comprise 394,278,199 shares (and 1 million options to be issued to the underwriter as part of its fees for underwriting and management at a strike price of \$2.00 with an expiry date 24 months after the date of issue).

The New Shares, and shares issued upon the exercise of the options, will rank equally in all respects with CuDeco's existing shares. If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded down to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly will not be able to be traded on the ASX.

Trading in the New Shares is expected to commence on 7 March 2016, with the dispatch of the holding statements for the New Shares the following day.

Conclusion

Once again, thank you for your invaluable support of our Company as we move towards the completion of the construction and commissioning of our flagship Rocklands Project and the generation of positive cash flow for shareholders' benefit.

The Board commends this issue to all Eligible Shareholders for their consideration.

Yours faithfully



Bruno Bamonte

Company Secretary

CuDeco Limited