



11 April 2016

Dear Shareholder

ASIC Lifts Interim Stop Order NON-RENOUNCEABLE RIGHTS ISSUE TO PROCEED

On behalf of the Board, CuDeco Limited (ACN 000 317 251) (**CuDeco**) is pleased to advise that on 8 April 2016, ASIC agreed to lift the stop order for the non-renounceable rights issue, which will now proceed on the timetable detailed below. CuDeco looks forward to your ongoing support as it offers you the opportunity to participate in the final stage of the Company's development into an Australia's next copper exporter.

CuDeco is pleased to announce the issue of its Replacement Prospectus dated 8 April 2016 (replacing the Prospectus dated 5 February 2016) 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**).

The Rights Issue will be available to all registered shareholders who hold shares at 7.00pm Perth time on Friday 15 April 2016 (**Record Date**) with registered addresses in Australia, New Zealand, Hong Kong, Singapore (to the extent that the Shareholders are exempt under Subdivision 4, Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore) or the People's Republic of China (to the extent that the Shareholders are qualified domestic institutional investors) (**Eligible Shareholders**). Eligible Shareholders will be entitled to apply for any shortfall in addition to subscribing for their full entitlement to New Shares.

The Prospectus to be issued to Eligible Shareholders has been lodged with ASIC and ASX on 8 April 2016 and is available on the Company's website www.cudeco.com.au and the ASX website.

In accordance with the ASX Listing Rules, CuDeco has considered the number of shareholders with registered addresses outside of Australia and New Zealand 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 relating to the 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 has formed the view that it is 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.

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 in order to see it through to production.

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

Lodgement of Prospectus with ASIC	Friday 8 April 2016 (see note 1)
Notice to Shareholders containing Appendix 3B information	Tuesday 12 April 2016
Existing shares quoted on an ex rights basis	Wednesday 13 April 2016
Record Date for the Offer (7:00pm Perth time)	Friday 15 April 2016
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders and dispatch announced to ASX	Wednesday 20 April 2016
Opening Date of Offer (9:00 am Perth time)	Wednesday 20 April 2016
Closing Date of Offer (5:00pm Perth time)	Tuesday 3 May 2016
Advise ASX of any Shortfall	Friday 6 May 2016
Trading Halt lifted – Ordinary shares recommence trading	Friday 6 May 2016
Allotment of New Shares	Tuesday 10 May 2016
Commencement of trading of New Shares on ASX	Wednesday 11 May 2016
Expected date of dispatch of holding statements for New Shares	Thursday 12 May 2016
Final date for placement of any Shortfall (3 months following Closing Date)	Wednesday 3 August 2016

Note 1 – as not announced prior to market open then deemed to be the next business day as required by ASX Appendix 7A timetable. Therefore deemed to be Monday 11 April 2016

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

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.

The Rights Issue is being made in accordance with section 710 of the Corporations Act. Accordingly, CuDeco will send the Replacement Prospectus to eligible shareholders on 20 April 2016, as set out in the timetable above.

The Company anticipates that, approximately 78,855,640 New Shares will be issued.

Upon completion of the Rights Issue, and assuming it is fully subscribed, the issued capital of CuDeco will comprise approximately 394,278,199 shares and 1 million options (such 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 11 May 2016, with the dispatch of the holding statements for the New Shares the following day.

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 11 April 2016.

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