

ROCKLANDS GROUP COPPER PROJECT - 100% OWNED BY CUDECO

**HIGH VOLTAGE ENERGISATION OF PROCESS PLANT COMMENCES
READY FOR FINAL COMMISSIONING AND PENDING OPERATIONS**

CuDeco Limited (CuDeco) wishes to announce that a major milestone has been achieved at the Company's flagship Rocklands Group Copper Project in Cloncurry, NW Queensland, with the start-up of the diesel fired power station and commencement of energisation of the 6.6kV high voltage (HV) circuits.

CuDeco Managing Director Peter Hutchison said, "The energisation of the high voltage circuits is a major achievement and an important step in the commissioning programme and towards pending operations. The testing and commissioning of the low voltage circuits is almost complete, and this major step of high voltage commissioning once complete, paves the way for the remainder of the wet commissioning and the commencement of continuous ore feed, targeted for the end of this month."

"Whilst finances have been challenging and have slowed development in some areas, activity where possible at Rocklands has continued at full pace, particularly in the key areas of the electrical and process control, including the distributed control system, of the process plant, and the commissioning and operations teams are to be congratulated for the significant progress under less than ideal conditions"

The cone crusher installation in the primary crushing circuit has been completed and commissioned, and will be further optimised to provide required final product quality once the crushing circuit reaches production level throughput rates. The installation of the cone crusher was a major undertaking, and resulted from previous test-work using the Company's mobile crushing plant, that identified benefits of replacing the final rolls crusher with a cone crusher. The Company's mobile crushing plant, which includes a cone crusher, was extremely successful in separating coarse native copper (+40mm in size), from the associated ore, achieving up to 95% copper concentrate grades through simple crushing and screening.

Rocklands General Manager Mark Roberts said, "We are approaching the pointy end of proceedings now, with many critical path processes and procedures reaching the final stages of completion. Careful management of costs required us to minimise expenditure, and this has included measures such as delaying the recruitment of staff, reallocation of site personnel to critical commissioning activities and support from our contractors, suppliers and vendors. I would like to thank them on behalf of shareholders."

Remaining minor site development and infrastructure work is being progressively completed including separate quarrying and crushing of rock to provide much needed road-base product. The fuel farm installation has been completed and diesel has been transferred into storage with some transferred to the power station to meet the start-up and HV energisation. Mine and process scheduling is also being finalised, along with health and safety systems, environmental procedures and the recruiting of staff.

Wet-season rains have helped fill the various water storage facilities which are at or near capacity, ensuring site water and process plant requirements can be met, and around 2.4 million tonnes of ore is stockpiled ready for processing, including 375,000 tonnes of crushed high-grade native copper ore.

CuDeco Independent Non-Executive Director and Chairman Dr Noel White added, "The Prospectus has taken much longer than anticipated to complete, and this has held up the Rights Issue and the Company's prime source of much needed funding required to complete the Rocklands Project. Notwithstanding these difficulties, site activities have forged ahead through very careful management of costs, and through the ongoing support of our EPC Contractor Sinosteel and major Shareholders. I commend all involved for their efforts and commitment to ensuring Rocklands becomes a successful Project for shareholders."

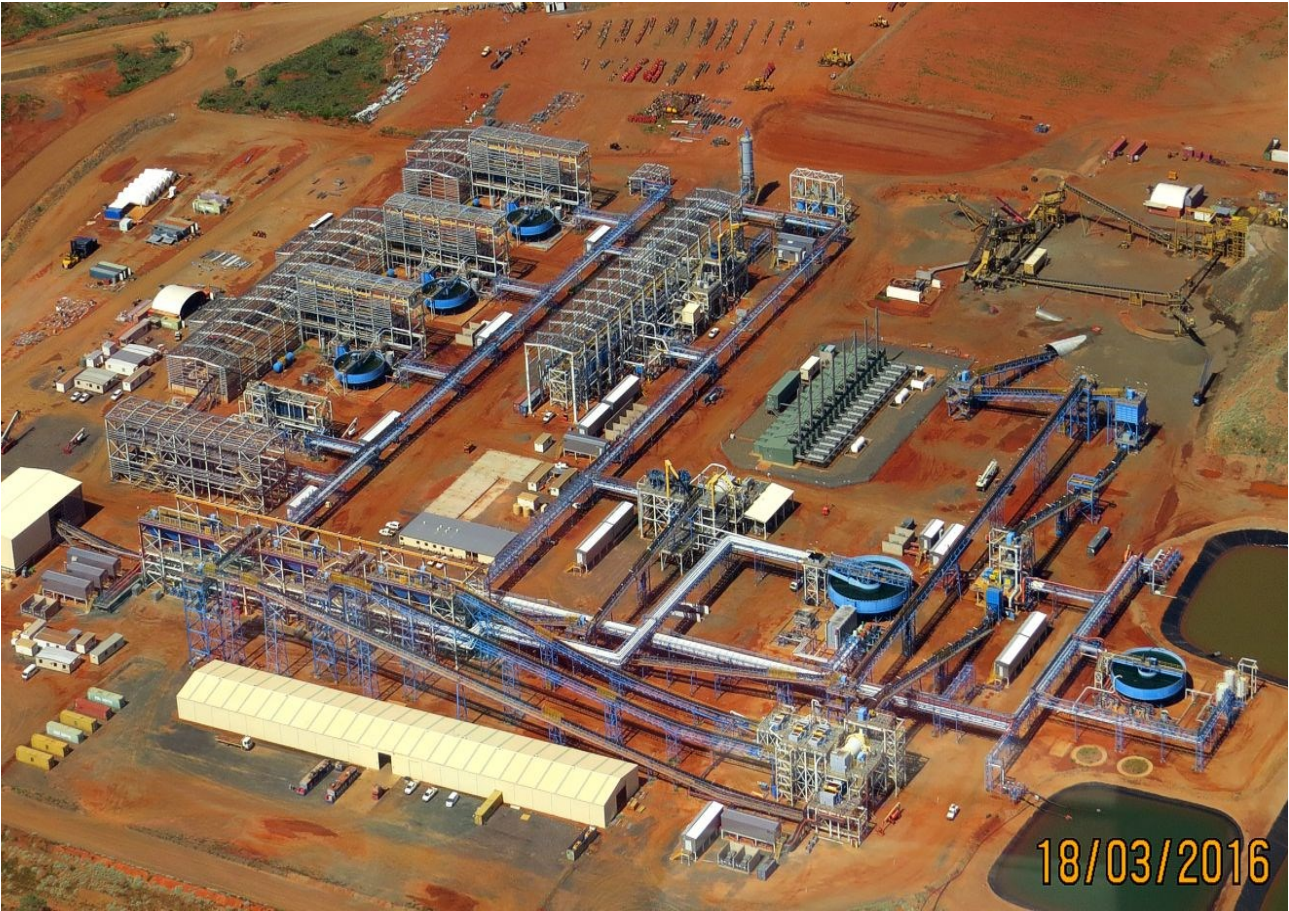


Figure 1: Aerial view of the process plant taken in mid-March (top image); and thickeners are filled as part of wet commissioning (bottom image).



Figure 2: Replacing of the final rolls crusher with a cone crusher resulted from successful test-work using the Company's mobile crushing plant that clearly showed the benefits in separating coarse native copper (+40mm in size), from the associated ore, achieving up to 95% copper concentrate. Top image shows the cone crusher up close and the below image shows commissioning of the cone crusher.



Figure 3: Wet commissioning activities clockwise from top left; Classifying - Fine Screen (2mm) undersize pump box and screen (right); Classifying - Fine Screen (1mm) feed line and feed box; and Classifying - Intermediate Screen (4mm) feed line and feed box.



Figure 4: Wet-season rains have filled the various water storage facilities that are now at or near capacity, ensuring adequate site water requirements. Top to bottom; Morris Creek Diversion Dam; Water Storage Facility; and 2 of the water transfer ponds, of which a number are distributed around the Rocklands site.



Figure 5: Quarrying and crushing of rock to provide much needed road-base product.

PROCESS PLANT

Energisation of the high voltage circuits has commenced, which is an important step in the commissioning programme. Testing and commissioning of the low voltage (LV) circuits is almost complete and paves the way for the remainder of the wet commissioning and the commencement of continuous ore feed.

Cone Crusher

The cone crusher installation in the primary crushing circuit (replacing the final rolls crusher) has been commissioned and will be further optimised to provide the required final product quality once production crushing re-commences.

Fuel Farm

The fuel farm installation has been completed and diesel has been transferred into storage with some transferred to the power station in time to meet the start-up and HV energisation.

High Voltage System

A final audit of the high voltage system was carried out by LogiCamms with only minor rectifications required. A pre-commissioning inspection was carried out by the Electrical Mines Inspector. None of the requirements from either the audit or inspection prevented starting the power station on time.

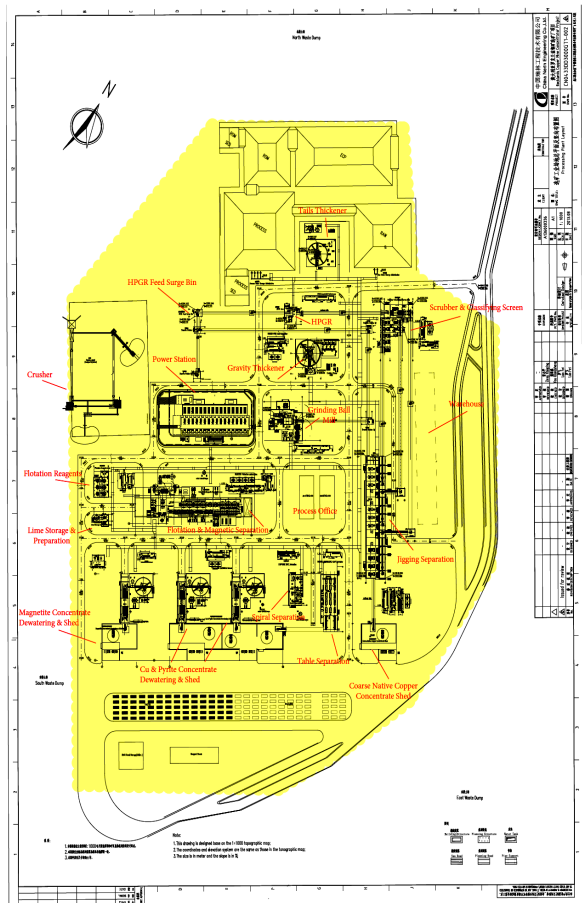


Figure 6: Official operational notification map showing the areas that are being energised and/or pressurised, as indicated by the shaded yellow area.



Figure 7: Wet commissioning of Copper Thickener (top image); electrical commissioning activities on the Dust Collector Fan (bottom left), and testing of emergency stop cable on Scrubber Feed Conveyor (bottom right).

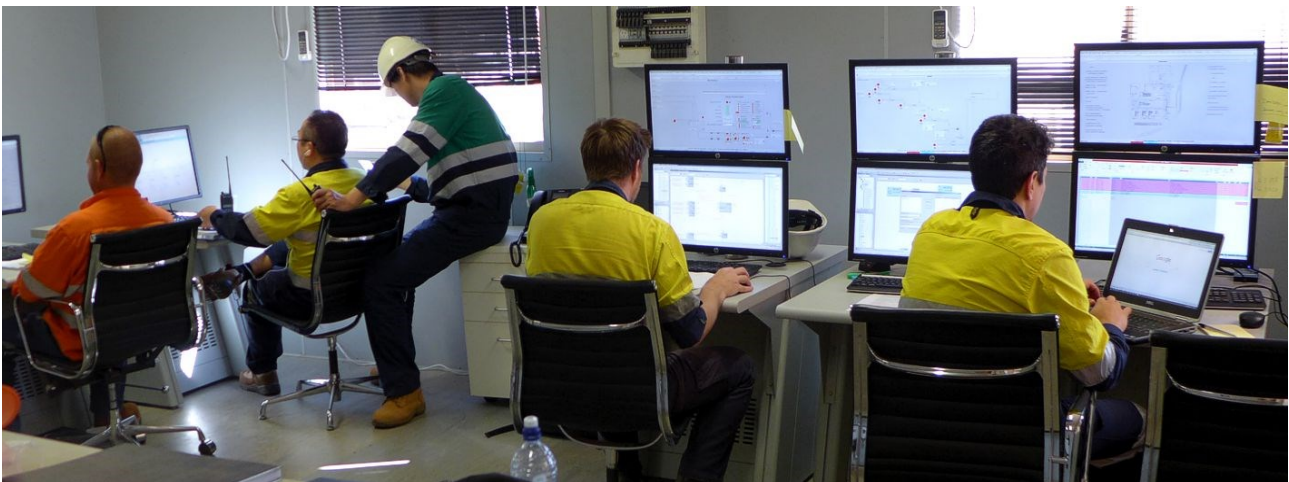


Figure 8: Rocklands diesel fired power station (above) and commissioning systems analysis in progress (below).

Radiation Sources

All of the required enclosed radiation sources, present in various in-line instrumentation, have been successfully installed and calibrated on water.

MINING

Mining has been temporarily suspended as a cost-saving measure. The Company has retained select mining professional staff to facilitate ongoing development activity in preparation of mining.

Current status of mining activities;

- All mining operations suspended August 2015
- Remaining non-essential site infrastructure and pre-strip activities suspended in early March 2016
- Personnel and resources reallocated to plant construction
- Work continuing on mine schedule optimisation
- Comparative mining options being evaluated and nearing completion

HEALTH AND SAFETY

Current status of Health and Safety activities;

- Emergency Response Team recruitment drive was held last month
- Currently conducting Occupational Hygiene testing
- Review of Training System and development of new training matrix
- Lost Time Injury (LTI) free since last quarter
- Working at Heights and Elevated Work Platform (EWP) training being conducted to support the commissioning activities at the process plant

ENVIRONMENT

Environmental awareness programmes have been introduced at Rocklands and are designed to develop greater environmental awareness and participation from staff and contractors during site based activities, and aid in further developing a healthy and proactive culture.

Recent highlights including;

- Implementing a site wide chemical reporting and information system
- Remote weather station system maintenance and performance monitoring
- Wet season rehabilitation survey data collection
- Quarterly environmental field monitoring of groundwater, surface water and air quality activities
- Preparations for third party environmental audit underway

HUMAN RESOURCES

At the end of March, the Rocklands workforce stood at around 240 personnel, consisting of 107 CuDeco employees and approximately 133 contractors; the CuDeco workforce currently has a residential ratio of 70:30 which directly supports the local community by participation and utilising local services.

CuDeco continues to make community involvement a priority, including through engaging local suppliers of employment and training, and aims to continue to promote community inclusion as we approach this exciting stage in the Project. We plan to engage candidates from the local area in the next recruitment phase to take advantage of the local skill pool and we continue to encourage locals to apply for vacancies or encourage potential new recruits to relocate to Cloncurry. CuDeco has adopted a no fly-in/fly-out (FIFO) policy so that it can secure employees from the local area and enjoy the opportunities that come to and from the community, from the Rocklands Project.

EXPLORATION

Low-level exploration has been ongoing at both EPM18054 and EPM25426 (see location map on page 11), including field reconnaissance and bedrock drilling. Numerous anomalous copper zones have been identified and will be followed up in future exploration programmes.

Visible fine-grain native copper (and minor malachite and chalcocite) has been observed in many holes, corresponding with a major target area of interest, however the significance of this development is yet to be determined.

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 rock types and minerals present.

Once the planned programme has been completed at this initial target, and sufficient analysis conducted, a follow up Reverse Circulation (RC) or diamond drill programme will test for mineralisation at depth.

CORPORATE

During March the Company hosted a group from the Economic Geology Research Centre (EGRU), College of Science, Technology and Engineering, James Cook University, Townsville, which conducted a three day workshop in the Cloncurry region. The focus of the technical sessions was the mineral systems in the Cloncurry region, including IOCG, Broken Hill type, SEDEX and skarn deposits. Core viewing and field trips were conducted at various mines and exploration groups, and included a visit to Rocklands.

The tour was very well organised and executed by the Rocklands team led by CuDeco’s Senior Mine Geologist Michael Hawtin, who also presented the Rocklands Project at the Group’s Presentation Workshop.

The Director of the EGRU, Professor Zhaoshan Chang, congratulated CuDeco and commented on the day: “Representative drill cores were spread in a good space for the 47 participants with clear signage. The stops were carefully selected. Some samples were made available, which is much appreciated by the visiting geologists. The time for each stop was nicely controlled. It was a great tour. We congratulate you for having a good team.”

Visits such as these give a much needed boost to the profile of the Rocklands Project and by extension CuDeco, in an environment of positive and cooperative peer-to-peer information sharing.

For and on behalf of the Board.

- ends -



Figure 9: Geologists from the Economic Geology Research Centre at James Cook University are pictured visiting the Rocklands Project and inspecting diamond drill core recovered during exploration and resource drilling - feedback has been excellent.

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.

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.

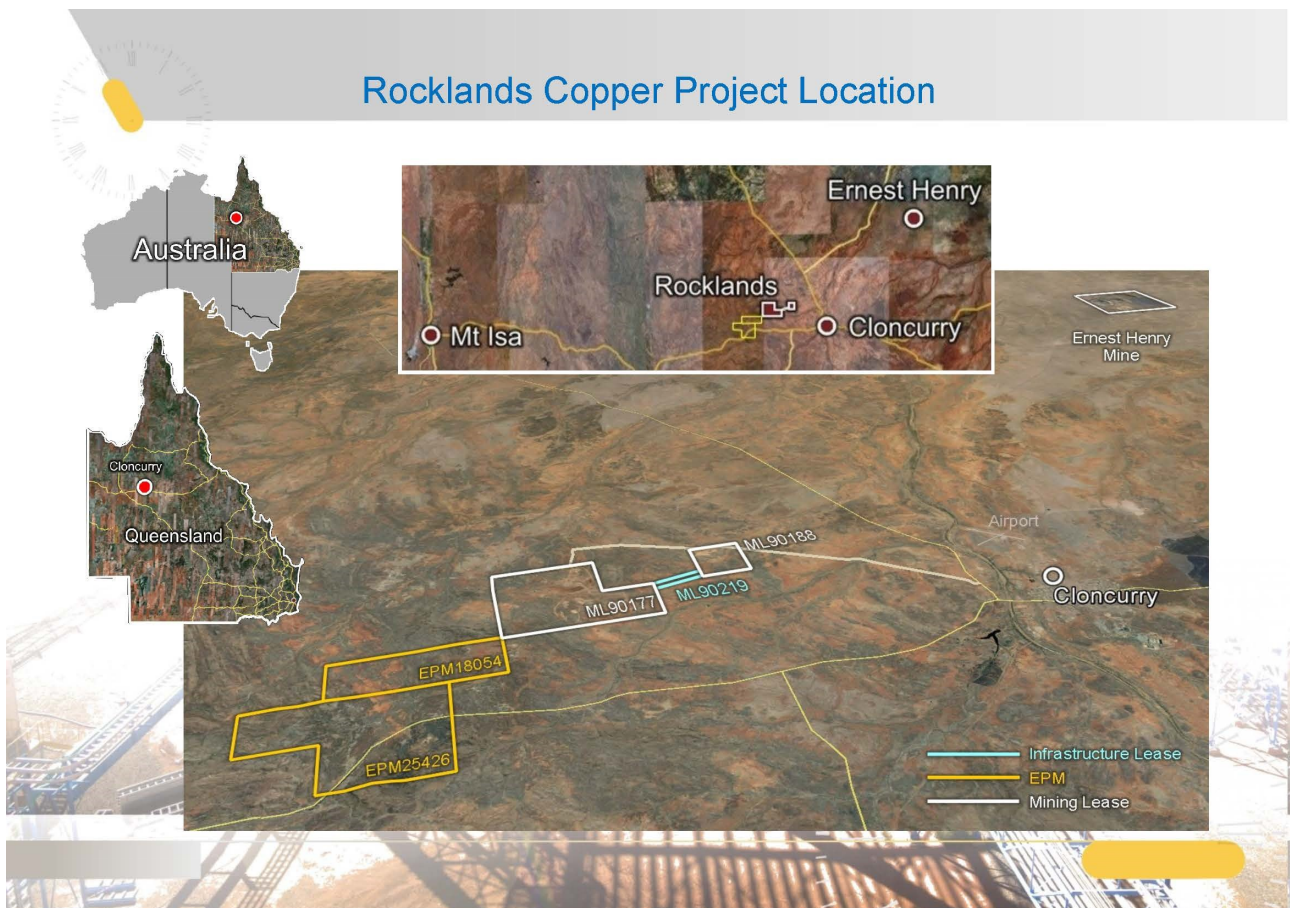


Figure 10: Rocklands location map showing relative locations of exploration tenements EPM 18054 and EPM 25426.