

MARKET RELEASE

16th May 2016

ROCKLANDS GROUP COPPER PROJECT - 100% OWNED BY CUDECO

COMMISSIONING STATUS UPDATE

CuDeco Limited (CuDeco) provides the following market update on commissioning activities at the Company's flagship Rocklands Group Copper Project in Cloncurry, NW Queensland.

The CuDeco Board will hold its next scheduled meeting at Rocklands this week, taking the opportunity to view first-hand, current progress at Rocklands.

Commissioning activity is currently focused on copper production only, incorporating the jigs (coarse native copper), gravity (fine native copper) and flotation (sulphide copper) circuits, with ore feed planned at the latest Monday 30th May. Whilst this is four weeks after our target date, it will result in being behind in only two weeks of planned production due to changes in ramp-up rates. First shipment of product is still expected prior to the end of June, with first receipts thereafter according to the terms of the offtake agreement.

Once the copper circuits reach steady-state, the pyrite/cobalt and DMS magnetite circuits will be commissioned and these streams also brought online. Copper Installation construction verification (C0) is effectively complete, dry commissioning (C1) is nearing completion and the status of wet commissioning (C2) is detailed in table1 below.

Table 1: Status Report (C2) Monday 16th May 2016:

COMMISSIONING AREA	PCM DESCRIPTION	% Complete	C2 Certificate Status	Ore Ready
FINE ORE STOCKPILE AND RECLAIM	Stockpile	90%	No water commissioning required. Some additional civils work almost complete.	✓
	Reclaim	95%	A few instruments to be adjusted otherwise ready to run ore.	✓
CRUSHING CIRCUIT		95%	Cone crusher installation complete, screen and sizing optimisation awaiting first ore feed	✓
GRINDING CIRCUIT	HPGR Feed System	40%	Weightometer to be calibrated, but will not prevent ore feed.	✓
	HPGR	15%	Dust collection system complete. I/O checks started. PLC software received from Polysius, awaiting vendor engineer arrival.	
	Scrubber (Deagglomerator)	67%	Scrubber is running and about to undergo water commissioning.	✓
	Grinding	36%	Cyclone Feed Pumps are ready to run on water. Ball Mill I/O checks are well under way and live commissioning to commence early this week.	
GRAVITY	Classifying	79%	Trippers are almost complete but the rest of the system is ready to take ore.	
	Fine Jigging	95%	A few instruments to adjust and wedges to be installed on screens, otherwise ready for ore	✓
	Intermediate Jigging	95%	A few instruments to adjust and wedges to be installed on screens, otherwise ready for ore	✓
	Coarse Jigging	95%	A few instruments to adjust and wedges to be installed on screens, otherwise ready for ore	✓
	Primary Spirals	80%	Some instrumentation commissioning outstanding on cyclone packs otherwise ready for ore	
	Secondary Spirals	95%	Minor adjustment otherwise ready for ore	✓

Unit 33, Brickworks Annex, 19 Brolga Avenue, SOUTHPORT 4215

Phone: +617 5503 1955 Facsimile: +617 5503 0288 Email: admin@cuDeco.com.au

COMMISSIONING AREA	PCM DESCRIPTION	% Complete	C2 Certificate Status	Ore Ready
	Primary Tables	85%	Minor adjustment otherwise ready for ore	✓
	Secondary Tables	90%	Minor adjustment otherwise ready for ore	✓
	Gravity Thickener	94%	Minor adjustment otherwise ready for ore	✓
FLOTATION	Copper Flotation Re grinding	95%	A few instruments to fix then ready for ore	✓
	Copper and Pyrite Flotation	95%	1 drive & paperwork outstanding	✓
	Magnetic Separation	95%	all drives for Cu complete - paperwork outstanding	✓
TAILINGS	Tailings Thickener	88%	A few instruments to fix. Thickener recirculation line to be re-routed prior to ore	✓
CONCENTRATE DEWATERING & STORAGE	Belt Filters - Fine Native Copper	38%	Filter cloths to be installed and belt to be tracked	
	Coarse Native Copper	50%	Currently replacing conveyor 16 belt section; once complete it is ready to receive ore	
	Copper Concentrate Thickener	86%	A few instruments to fix. Thickener recirculation line to be re-routed prior to ore	
	Copper Concentrate Dewatering & Storage	67%	Filter press vendor is on site and currently undergoing water commissioning on the filter press system; once complete, ready for ore.	
REAGENTS	Activator (NaHS)	95%	Ready to mix reagents	✓
	Frother (MIBC)	10%	Awaiting pumping system to be installed. An alternate system in place for ore commissioning	✓
	Promoter (A3894)	95%	Ready to mix reagents	✓
	Spare Reagent	95%	Ready to mix reagents	✓
	Hydrated Lime Mixing & Distribution	80%	Almost ready to mix reagents	✓
	Cu & Pyrite Conc. Flocculant	95%	Minor instrument recalibrations then ready for mixing reagents	✓
	Gravity & Tailings Flocculant	67%	Water commissioning in progress	✓
	Coagulant	20%	Water commissioning is currently underway	
WATER SERVICES	Raw Water	95%	Minor instrument recalibrations then ready for mixing reagents	✓
	Gland Water	95%	Minor instrument recalibrations then ready for mixing reagents	✓
	Process Water	50%	Process water system is operational. Other pumps are ready for commissioning	✓
	Cooling Water	95%	A few instruments to adjust and water softener is not yet cabled, otherwise the system is fully operational.	✓
AIR SERVICES	Instrument Air	95%	Minor adjustment otherwise ready for ore	✓
	Plant Air	90%	Minor adjustment otherwise ready for ore	✓
	Blower Air	33%	Undergoing commissioning currently	
POWER STATION	Diesel Fuel Farm	100%	Fuel farm is operational	✓
	Power Station	95%	Supplying power to whole of process. Full load testing to be completed.	✓

For and on behalf of the Board.

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