

**MARKET RELEASE**

**21st June 2016**

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## **CuDeco Signs Offtake Term Sheet for Native Copper as Rocklands Further Advances**

In another milestone for its flagship project, CuDeco Limited (ASX:CDU) announced today the signing of a term sheet with major shareholder, China Oceanwide International Investment Co. (China Oceanwide) for the offtake of all native copper from its Rocklands Group Copper Project (“Rocklands”) Operation in Cloncurry, north-west Queensland.

The term sheet includes a fair processing charge and a payable copper value of no less than 96.5% of contained copper. The formal documentation for the off take agreement is expected to be completed this month.

Welcoming the agreement, CuDeco’s Managing Director, Dr Dianmin Chen said: “The signing of a term sheet with our major shareholder, China Oceanwide for all native copper will provide financial security for our Rocklands project. It is another key undertaking as we further progress the delivery of cash flow from Rocklands for the benefit of all shareholders.”

Meanwhile, management, operators and contractors continue to progress the completion of the construction and commissioning of Rocklands as safely and as quickly as possible.

The project’s crushing circuit is now fully commissioned, and all other circuits have been commissioned on water and are operating satisfactorily except for a water pipe which recently failed during wet commissioning tests. The pipe is being repaired and will be ready for pressurisation this week.

Ore feed has gone through the High Pressure Grinding Rolls (HPGR), the scrubber, the jigs and the gravity circuits, and the process is now ready to feed through to the ball mill and flotation. The first coarse native copper produced from the Jig circuit is very clean, as shown in the photo below.



*First coarse native copper produced from the Jig circuit*

The ball mill is 40% charged and load tests with ore will commence this week, increasing the load through to 100%. All resources are now focused on working towards achieving the first shipment of native copper by the end of June, as previously stated by CuDeco.

The Company expects the first sulfide copper concentrate to be produced in July and first shipment of copper concentrate either in late September or the first half of October 2016.

“After barely a month as managing director, I am pleased to see the commitment to successful plant commissioning by all those involved with Rocklands. This has been backed by the implementation of a new, performance-driven culture as we transition from development to production,” Dr Chen said.

“I am excited about the Company entering into the production stage at Rocklands and we will provide more updates for the market as we ramp up the processing rates. This is a key period in CuDeco’s corporate history as we deliver on the potential of our project to generate increased shareholder value and benefits for all stakeholders.”

On behalf of the Board.  
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