

MARKET RELEASE

17 October 2016

OPERATIONAL UPDATE

Key milestone for Rocklands Copper Mine with 1st shipment of sulphide copper concentrate

- **4,635 WMT sulphide copper concentrate shipped to China**
 - **Continuous bulk shipments set to commence**
- **Refinancing negotiations with China Minsheng Banking Corporation at final stage**

Queensland copper producer CuDeco Limited (ASX:CDU) announced today yet another milestone for the state's newest copper mine, with the first shipment of sulphide copper concentrate to China.

Approximately 4,635 wet metric tonnes (WMT) of sulphide copper concentrate from the Company's flagship Rocklands Copper Mine near Cloncurry, north-west Queensland, was shipped via the Port of Townsville on 15 October 2016.

The shipment was sold to Oceanwide International Trading Co., Ltd under the existing offtake agreement. It follows a 1,000 WMT shipment of native copper in the first week of October, with another shipment of 300 WMT of native copper scheduled for late October.

CuDeco's Managing Director, Dr Dianmin Chen, said the shipment marked another key achievement for the new Rocklands plant as it ramps up towards nameplate capacity.

"This delivery is an important milestone for CuDeco as we work towards the commencement of continuous bulk shipments from Rocklands, and with it a substantial increase in concentrate exports, bringing substantial cash flows to the Company," Dr Chen said.

"Achieving Rocklands' potential is our key focus ahead of the mine's official opening later this month, and with exploration activity already recommenced, we see the potential for an extension in the mine life and its capacity to deliver long-term benefits to the whole region."

Rocklands has now produced over 2,500 dry metric tonnes of copper metal in both native copper and sulphide copper concentrate, with the Company focused on copper-gold production in its early stage of operations.

Meanwhile, CuDeco has been advised by China Minsheng Banking Corporation that the requested extension of the repayment terms of the Company's existing bank facilities is at the final stage of the approval process. Based on discussions with the bank, CuDeco remains confident that the refinancing will be approved shortly, and will advise the market accordingly once the extension has been approved.

As per the ASX announcement of 30 September 2016, CuDeco's shares remain in voluntary suspension pending the finalisation of the 30 June 2016 Financial Statements, which will be able to be completed once the refinancing is approved.

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The following information is provided in relation to the continued suspension of the Company's shares:

1. The suspension is required as the Company is not able to finalise its financial statements for the year ended 30 June 2016 until it receives approval for its refinancing of its Finance Facilities from the Minsheng Bank;
2. The Company expects that the suspension will be lifted before 31 October 2016;
3. The suspension is expected to be lifted once the Financials are signed, which will occur as soon as possible after the Company receives approval for the refinancing of its Finance Facilities from Minsheng bank;
4. The Company is not aware of any reason why its shares should not be suspended.

ENDS



Sulphide copper concentrate being loaded at the Port of Townsville for shipment to China