

MARKET RELEASE**25 May 2017**

Clarification of Convertible Notes issued on 21 April 2017

On 3 April 2017 CuDeco Limited (**ASX: CDU**) ("CuDeco") announced securing a new strategic investor in CuDeco via an Agreement with Gemstone 101 Ltd, a wholly owned subsidiary of Valuestone Global Resource Fund (the "Agreement") to issue Convertible 44m Notes at 50 cents each ("Notes") to raise \$22m and setting out the terms and conditions of the Notes. The Notes were subsequently issued and the Company lodged an Appendix 3B on 21 April 2017, and a representative Director was appointed on 17 of May 2017 in accordance with the terms of the agreement.

CuDeco would like to expand on the detail of the Agreement as set out in the ASX Announcement ("Announcement") dated 3 April 2017. The Announcement advised as follows:

Board Representation The investor will be entitled to a representative on the CuDeco Board if their ownership in CuDeco exceeds 7%.

Further detail in relation to this is set out below:

Board Representation The investor will be entitled to a representative on the CuDeco Board if their ownership, calculated on an "as-converted basis", in CuDeco exceeds 7%. The representative Director will be appointed to the Board of CuDeco within 10 business days after the issue of the Notes.

The above noted "as-converted basis" means that if their holding exceeds 7% either by:

- (a) Such number of Convertible Notes that, if converted, would comprise 7% or more of the Company's issued capital; or
- (b) Such number of Convertible Notes that, if converted, would in aggregate with shares held by the Note Holder, comprise 7% or more of the Company's issued capital.

CuDeco Limited



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