

MARKET RELEASE

17 July 2018

Management restructure to drive Rocklands production

Queensland copper producer CuDeco Limited (ASX:CDU) announced today the appointment of a new General Manager for its flagship Rocklands Copper Mine near Cloncurry, as part of a broader management restructure aimed at driving improved operational performance.

An experienced mining executive, Mr Logan Francis has joined CuDeco as the new General Manager and Senior Site Executive for Rocklands, with a focus on enhancing productivity and ensuring increased output.

Mr Francis has worked in the civil, mining and quarry industries for more than a decade across operational and technical management, having been responsible for managing the operations of listed mining businesses in Australia, Africa and other mines overseas.

He is highly qualified for these roles and holds an Executive Master of Business Administration (MBA) from Sydney Business School and a Master of Mining Engineering.

Welcoming the appointment, CuDeco's Chairman, Mr Peter Hutchison said: "Logan is passionate about generating performance from people and projects and brings great abilities and experience to the Company.

"He has a particular focus on strong teamwork and innovation in driving positive and productive cultures where safety, productivity and financial success go hand in hand.

"We are confident that Logan will demonstrate the leadership required to ensure Rocklands delivers on its potential and ensures optimal long-term performance."

CEO resigns

As part of the management restructure, Mr Gongyang Jiang has resigned from his position as Chief Executive Officer, effective immediately. Mr Jiang has resigned for personal reasons after an extensive period of employment with CuDeco.

Mr Hutchison said: "Mr Jiang has shown a great commitment to Rocklands, having served at the project since the construction of the processing plant and through to commencement of production. His personal drive and initiative have been invaluable and we thank him for his service to the Company."

Former CEO, Mr Mark Gregory will be engaged as a corporate adviser to work with the Board in recruiting and selecting a new CEO.

Production Update

Since the end of the last quarter, production has been affected by the processing of gravity (supergene) ore types from the current phase of the mining schedule which comprised high levels of chlorite, resulting in lower plant throughput and lower copper recovery levels associated with difficulties in the flotation of this ore.

More details of monthly production will be provided in the next Quarterly Report due to be released by 31 July 2018. In summary, during the last three months the Company has produced 13,852 dry metric tonnes (DMT) of copper concentrate at an average grade of 25.24%. Over this period, the Company has processed 454,713 DMT of ore with an average head grade of 1.22%, achieving an overall recovery of 63%.

Production for the next six-month period will be predominantly utilising primary sulphide ore types which have historically achieved recovery rates exceeding 90%. The completion of the native copper circuit bypass in early April 2018 will assist greatly in achieving higher levels of throughput during this period, at lower cost than previously achievable.

Financials to 31 December 2017

The financials for the six months ended 31 December 2017 are still to be lodged. The finalisation of these financial statements is dependent upon satisfying the Company's external auditors that the Company is able to continue as a going concern.

The Company is continuing to work with its major creditors, banks, financiers and major shareholders to implement a financial plan that satisfies these key stakeholders. Once this process is finalised, the Company will complete the audit for December and look to resume share trading.

As an integral part of its financial plan, the Company has negotiated a \$US10 million prepayment facility with Noble Resources Pte Limited, which has been fully drawn down. This is to be repaid from future copper concentrate shipments.

Mr Hutchison added: "The Board extremely regrets the suspension of share trading and aims to resume trading as quickly as possible, pending the completion of the necessary financial statements. In the meantime, the Board and new management will be working closely together to drive Rocklands production towards nameplate, to maximise the benefit of high copper prices for the prosperity of all shareholders."

-ends