
FINANCING AND CORPORATE UPDATE

Queensland copper producer CuDeco Limited (ASX:CDU) announced today the implementation of a comprehensive plan for the operational and financial restructuring of its flagship Rocklands project, during which time mining and processing operations will remain in a suspended state. It is anticipated that this formal remedial program will take a further two months to fully implement, from which point Directors are confident the project will move forward in a profitable, fully funded and sustainable manner.

The Company suspended operations on 31 August 2018 and has since completed a comprehensive preventative maintenance programme that it believes will provide more consistent and reliable production from the processing plant into the future. In addition, Directors have formed the view that it is now the appropriate time to continue the pause in operations for a further period to enable a comprehensive review and restructure of the project's operations, and of the Company's long-term funding framework.

The operational review will incorporate the following:

- Optimised processes in the plant for higher throughput and recoveries;
- Elimination of bottlenecks through the crushing circuit;
- Complete the pit optimisation process and revised mining schedule;
- Complete capital projects which will provide flexibility and cost efficiency benefits in the future;
- Establish a cost structure which meets industry best practice;
- Restructure existing contractual arrangements, and
- Finalise a number of business improvement initiatives which will underpin ongoing improvements in productivity and profitability.

During this period the Company will finalise a long-term funding arrangement which will facilitate the operational restructure outlined above and enable the Rocklands project to proceed in a fully funded, fully optimised manner, and one which generates the operational and financial performance which has been the reasonable expectation of shareholders for some time now. Under this funding arrangement, the Company will also have the ability to actively progress a number of exciting growth opportunities which Directors believe can significantly extend the life of the Rocklands project and associated long term value for shareholders.

This refinancing arrangement will also enable the Company to complete its 31 December 2017 and June 2018 Audited Accounts and resume share trading accordingly.

Head Office

Suite 11A, Level 11, 100 Edward Street, Brisbane, 4000 Australia
Tel.+61 7 3210 5900
Email admin@CuDeco.com.au www.CuDeco.com.au

Cloncurry Operations

Corella Park Road, Cloncurry Queensland 4824 Australia
P.O. Box 530, Cloncurry, QLD 4824 Tel.+61 7 4742 4800
Email cloncurry@CuDeco.com.au www.CuDeco.com.au

Directors also advise that as a consequence of its current short-term funding challenges, the Company's wholly owned entity, Cloncurry Infrastructure Pty Ltd, has defaulted on the repayment of a loan \$US2.0 Million (approximately \$AUD2.8 Million) which has resulted in PT Kemala Shipping appointing a Receiver to this entity. Cloncurry Infrastructure Pty Ltd owns most of the Group's real estate assets in the township of Cloncurry over which PT Kemala holds first ranking security. Directors believe that the long-term funding solutions currently being progressed as a key element of the operational and financial restructuring process outlined above will allow for this debt to be repaid in full, and for the Receiver to be removed in due course.

CuDeco's Chairman Peter Hutchison commented: *"This extended suspension is the logical next step in being able to finally achieve a profitable, sustainable operation which is not impeded by operational shortcomings or funding deficits. The unfortunate loan default referred to above highlights the need for the Company to take stock, reset and move forward from a robust operational and financial platform"*

"CuDeco's Board and management remain focused on ensuring successful and profitable operations at Rocklands delivering economic benefits for the local community; security of employment for our valuable staff; and creating value accretive initiatives for our shareholders over the long term."

On behalf of the Board.

ENDS.