
FINANCING AND CORPORATE UPDATE

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that it has completed its comprehensive plan for financial restructuring. The Directors are confident that this will allow its flagship Rocklands project to move forward in a profitable, fully funded and sustainable manner.

The Company suspended operations on 31 August 2018 and has since completed an important preventative maintenance programme that it believes will provide more consistent and reliable production from the processing plant into the future. It has also identified significant improvements in operating efficiency for small capital outlay that will be completed with the available funding. In addition, Directors have completed a comprehensive review for restructure of the project's operations, and of the Company's long-term funding framework.

In relation to the long-term funding, the Company: -

- a. Has authorised a Share Placement with new investors for up to 58,735,518 ordinary fully paid shares at 20 cents per share to raise a total of approximately \$11.75 Million. The shares will be issued pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and therefore will not require Shareholder Approval.

The funds will be used to repay debts of approximately \$6 Million and the balance for working capital to allow the Company to resume its mining and processing operations;

- b. Has signed a term sheet for the refinancing of existing Convertible Notes with the Valuestone Group, that will provide CuDeco with an additional \$US4 Million (approximately \$5.5 Million) in December 2018. This refinancing will be subject to Shareholder Approval; and
- c. Will undertake a Rights Issue in the first half of 2019. The final details of the issue are still to be finalised however based on the agreed support from the Company's major Shareholders it is expected that the Company will seek to raise between \$12 and \$20 Million.

In addition to this capital raising, the Company has received commitments from its major lenders to support the Company and re-negotiate their existing facilities. Negotiations are ongoing with the lenders and are expected to be concluded over the coming months.

Once the Negotiations are completed, and planning finalised for the rights Issue, the Company believes it will be well placed to finalise its Financial Statements for the six months ended 31 December 2017 and the year ended 30 June 2018, which will allow the Company's shares to recommence trading.

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

CuDeco's Chairman Peter Hutchison commented: *"This extended suspension has been unfortunate, but with the assistance of our major Shareholders we move forward with optimism and expectation that the Rocklands Project will be able to deliver for the benefit of all Shareholders.*

"We remain focused on 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.