

## **Cudeco taps the Hong Kong market for cash in copper slump**

*Sally Rose, The Sydney morning Herald, January 2, 2015*

As the copper price tumbles to a five-year low, Queensland-based copper mine developer CuDeco is seeking to inject some cash through a second listing on the Hong Kong Stock Exchange.

On Friday morning the company's share were in a trading halt pending an announcement regarding arrangements, appointment and mandates for the dual listing.



Following the request for a trading halt on New Year's eve, New York-based EVA Dimensions analyst Timothy Stanish reiterated his "sell" recommendation on the Australian company. He is the only analyst who formally covers the stock, according to Bloomberg data.

The possibility that the company would pursue a dual listing in Hong Kong or Singapore to raise \$50 million to \$100 million, to help complete its Rocklands copper project in Queensland by the latest target date of March and secure working capital, was reported by Fairfax Media in October.

This prompted the company to issue a statement advising that a Hong Kong listing was a possibility that had been discussed with shareholders over the past five years, but that the company had never discussed a Singapore listing.

Investors are now eagerly awaiting the details of how much money the company will raise through its Hong Kong listing and under what terms. An announcement is expected within 48 hours.

News that the copper miner will have its shares traded in Hong Kong comes as the commodity price has slumped to a 5-year low at \$US6,300 a tonne amid a slow down in demand from industrial producers in China.

At the same time, CuDeco's ties with China- and Hong-Kong-based investors have never been more important.

On December 1, the stock plunged 19.5 per cent in a single day after the company was forced to issue a notice clarifying its native copper shipment from the Rocklands project to Chinese buyers was a test only. An announcement made a few days earlier that talked up the value of the deal.

On December 3 the company said that its third largest shareholder, the China State-owned Sinosteel, may up its stake after the two parties entered an agreement for Sinosteel to install the electrical engineering at the Rocklands project.

On December 22, CuDeco announced that it had struck deal with its biggest shareholder Hong Kong-based China Oceanwide International Investment to increase its stake to 19.9 per cent. The deal is subject to approval from the Foreign Investment Review Board.

At the same time CuDeco revealed it had completed a \$6.15 million special share placement with Hong Kong-based Haitong AC Asian Special Opportunities Master Fund.

Shares in CuDeco last traded at \$1.95. After slumping as much as 41 per cent in 2014, the stock spiked more than 39 per cent in the final three trading days of the year.

On December 30, the company said that copper grades at the Rocklands project were "some of the best in the world".

Read more: <http://www.smh.com.au/business/mining-and-resources/cudeco-taps-the-hong-kong-market-for-cash-in-copper-slump-20150102-12gtmx.html#ixzz3NdZjlqEs>