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**MARKET RELEASE**

**29<sup>th</sup> July 2014**

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**ROCKLANDS COPPER PROJECT (CDU 100%)**

**First 1 million tonnes of ore at Rocklands**

Audited Stockpile inventory to end June 2014 was 866,065 tonnes of ore.

**Current mining rates should see stockpiles reach 1 million tonnes in the coming week.**

**Total ore: 1,052,125 @ 3.02% CuEq**

*(see calculation page 2)*



*Figure 1: View to north-west showing all three stages of the Las Minerale Pit; Deepest pit is LM1; blast-hole drilling on the shoulder of the LM2 Pit floor and in the background; LM3 Pit (final pit) walls.*



*Figure 2: Mining on the shoulder of the LM2 Pit; LM1 Pit left background*

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Figure 3: Long-term stockpiles (6 of 12 main ore types shown)

## First 1 million tonnes of ore at Rocklands

The LM1 pit was scheduled to be completed by the end of last week, which would have contributed 186,060 tonnes of additional ore to the stockpiles during July, in the process pushing stockpiles well over 1 million tonnes. However, scheduling changes designed to reduce double handling of Direct Shipping Ore (DSO) from the pit meant mining activities were re-directed to the commencement of the LM2 Pit, which is dominated by waste removal in the initial periods.

**The schedule change was the result of ROM stockpiles of DSO being at full capacity ahead of planned crushing activities.**

Focussing on the LM2 Pit whilst the ROM stockpiles are crushed and depleted, means when we go back into the LM2 pit (in approximately 2 weeks), DSO can be trucked directly to the ROM from the Pit for crushing, minimising mining and re-handling costs.

### Ore inventory based on the Rocklands Resource Block Model;

	Tonnes	CuEq	Cu %	Co ppm	Au ppm	Mgt %
Remaining in LM1 Pit	186,060.00	4.87	3.51	795	0.53	5.03
Audited stockpiles to end June 2014	866,065.00	2.62	1.45	704	0.23	5.37
<b>Total (audited stockpiles &amp; remaining in LM Pit)</b>	<b>1,052,125.00</b>	<b>3.02</b>	<b>1.81</b>	<b>720</b>	<b>0.28</b>	<b>5.31</b>

Note, the above tables includes ore from pre-strip activity where significant quantities of low-grade ore was recovered. Copper grades are increasing with pit depth.

Results from drill & blast sampling and assay from LM1, are higher than indicated in the resource block model, however will not be reported to stockpile inventory until a full and complete audit of results and estimation methods have been completed for ore on stockpiles to end 2014, as part of the inventory audit process.

However, based on resource model estimates shown in the above table, over 30,000 tonnes of CuEq metal will be sitting on the stockpiles shortly. Processing costs at Rocklands are projected to be ~AUD\$14.30/t.



*Figure 4: Crushed native copper ore stockpiles - ready for upgrading through the Company's new ore sorter, currently in its final stages of construction in Hamburg Germany.*

High-grade ore suitable for DSO has been blasted and remains in LM1 at the RL165m level and will be mined once space is available on the ROM, which is expected shortly.

Mining rates over the last 12 months have been in ramp-up phase, as assets are shared between mining, infrastructure and development activities and peaked at 44,000 tonnes per day.

Current mining rates are 30,000 tonnes of waste and ore per day, on single shift roster. CuDeco has not yet implemented night-shift activities.

Over the period ahead, mining rates are expected to increase to planned Life of Mine (LOM) mining rates.

On behalf of the board.

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*Figure 5: Close up of above crushed (-40mm) native copper ore stockpiles - ready for upgrading to a premium grade concentrate through the Company's new ore sorter, currently in its final stages of construction in Hamburg Germany. The above image shows coarse native copper nuggets, coarse and fine native copper in rock matrix, chalcocite, cuprite and various secondary copper species, visually estimated at 26% Cu in the above image.*

## **Competent Person Statement**

*Information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by Geoday Pty Ltd, an entity engaged by Cudeco to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and is a Member of the Australian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Day consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report insofar as it relates to Metallurgical Test Results and Recoveries, is based on information compiled by Mr Peter Hutchison, MRACI Ch Chem, MAusIMM, a full-time executive director of CuDeco Ltd. Mr Hutchison has sufficient experience in hydrometallurgical and metallurgical techniques which is relevant to the results under consideration and to the activity which he is undertaking to qualify as a competent person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.*

### **Rocklands style mineralisation**

*Dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.*

### **Disclaimer and Forward-looking Statements**

*This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.*

Measured Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	83	0.36	273	0.09	6.4	0.74	1.0	669	1,369	1,787
0.40	44	0.63	355	0.13	5.6	1.13	1.3	614	1,108	1,300
0.80	19	1.23	504	0.22	5.8	1.96	2.2	506	809	894
Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	98	0.16	226	0.07	6.5	0.47	0.7	339	1,021	1,518
0.40	40	0.32	287	0.13	4.1	0.74	0.9	282	652	779
0.80	11	0.68	405	0.19	3.0	1.28	1.4	170	319	346
Total Measured and Indicated Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	181	0.25	248	0.08	6.5	0.60	0.8	1,008	2,390	3,306
0.40	84	0.48	323	0.13	4.9	0.95	1.1	896	1,759	2,079
0.80	30	1.02	467	0.21	4.8	1.71	1.9	676	1,128	1,240
Inferred Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	91	0.06	146	0.09	4.6	0.3	0.4	117	573	902
0.40	12	0.24	200	0.10	2.6	0.5	0.6	63	142	166
0.80	0.5	0.54	413	0.12	3.2	1.1	1.2	6	12	13
Total Resource Rocklands Resource November 2013 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalents		Contained Metal & Equivalent		
CuCoAu*		Cu	Co	Au	Mag	CuCoAu*	CuEq*	Cu	CuCoAu*	CuEq*
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.20	272	0.19	214	0.08	5.9	0.5	0.7	1,125	2,962	4,208
0.40	96	0.45	308	0.13	4.6	0.9	1.1	959	1,902	2,244
0.80	30	1.01	466	0.21	4.8	1.7	1.9	681	1,140	1,253

Additional Magnetite only Inferred Resource Rocklands Resource November 2013 at various cut-off grades						
cut-off	Tonnes	Estimated Grade				Contained Magnetite
Magnetite		Cu	Co	Au	Mag	
%	Mt	%	ppm	ppm	%	Mt
10	328	0.02	70	0.01	14.3	47
15	102	0.02	78	0.01	19.5	20
20	26	0.01	77	0.00	26.6	7

Note - Figures have been rounded to reflect level of accuracy of the estimates

\*Copper equivalent CuCoAu% = Cu % + Co ppm\*0.001232 + Au ppm\*0.518238

\*Copper equivalent CuEq% = Cu % + Co ppm \*0.001232 + Au ppm \*0.518238 + magnetite %\*0.035342

*This information is extracted from the report entitled "Rocklands Resource Update 2013" created on 29 November 2013 and is available to view on [www.cudeco.com.au](http://www.cudeco.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*