

**ROCKLANDS OPERATIONS UPDATE**

**CHANGES IN ORE CONTROL METHODS IMPROVES COPPER GRADES  
 AUGUST IMPACTED BY SCHEDULED AND UNSCHEDULED SHUT-DOWN PERIODS  
 SEPTEMBER ON TRACK FOR A RECORD MONTH OF PRODUCTION**

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that August production at its Rocklands Copper Mine in Cloncurry Queensland, was 1,104 tonnes of copper metal produced in 4,168 DMT of concentrate averaging 26.5% Cu (mill estimates). August production follows a solid month in July of 1,717 tonnes of copper metal produced.

August concentrate includes gold by-product estimated at a total of 461 ounces for the month.

Interim Chairman Peter Hutchison said “August is disappointing and was impacted by various reliability issues at the HPGR, Scrubber, Ball Mill and Concentrate Filter Press, which also coincided with a planned major shut-down period, leading to an overall poor month of production for the Project. However, I am confident that our people at the process plant will have all issues resolved to ensure a successful September.”

Approximately 5,924 WMT of concentrate was loaded on 3<sup>rd</sup> September for sea-export to China.

**Production**

Metal recovery in August was 88.7% compared to 92% in June. Overall performance in August was lower than forecast with major planned and unplanned stoppages requiring lengthy shut-down periods. Collectively these were responsible for a 49% lower than forecast mill throughput for the period, which significantly reduced net metal output and recovery performance.

The concentrate filter presses went offline for a period at the end of the month, resulting in the hold-up of circa 722 tonnes of concentrate production that was diverted to wet holding areas. This material was not counted in August production however will be included in September production.

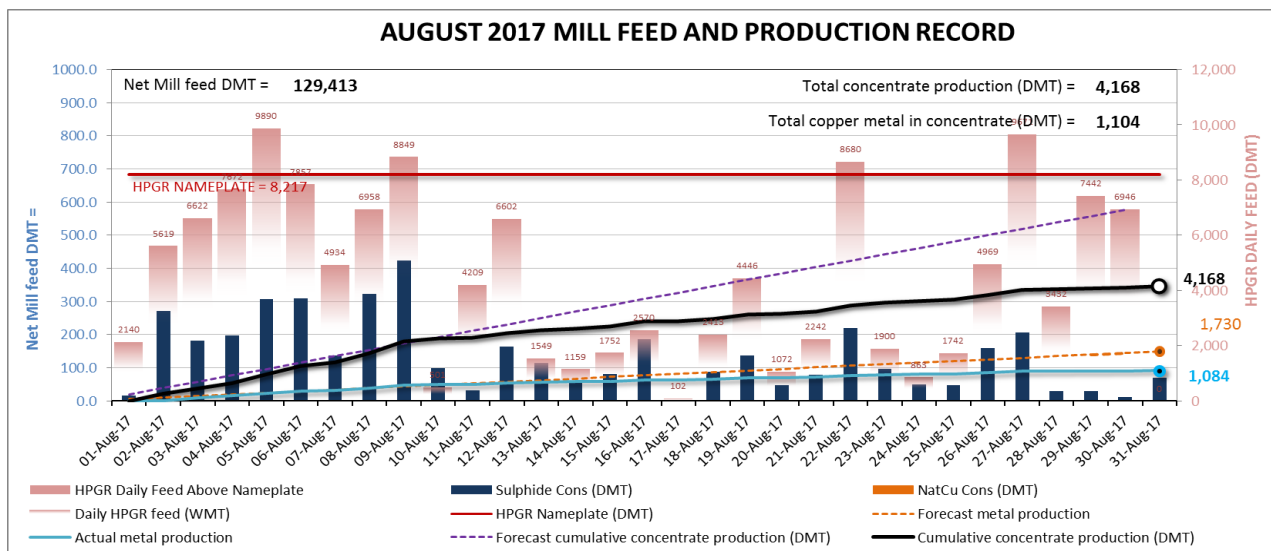


Figure 01: August production figures include total feed to the HPGR of 129,413 DMT and concentrate production of 4,168 DMT.

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Net ore feed to the Mill for August was 129,413 DMT @ 1.11% Cu (July 169,361 DMT @ 1.11% Cu). Average feed grades are anticipated to gradually increase over the remainder of the year as the project returns to previous ore management practices and higher-grade ores are accessed from a deeper LM2 Pit.

## Mining

Approximately 1.5 million DMT of rock was mined in August from the LM2 (0.86Mt) LM3 (0.58Mt) and RS1 (0.07Mt) Pits, bringing the total since mining recommenced in March to 6.1 million DMT of rock. Ore mined in August was 301,782 DMT @ 1.57% Cu. Total ore mined since March is 1,532,784 @ 1.04% Cu at a strip ratio of circa 2.6 to 1.

Ore mined in July 2017 compared to August 2017:

| Ore type             | Jul-17         |             | Aug-17         |             |
|----------------------|----------------|-------------|----------------|-------------|
|                      | DMT            | DMT         | DMT            | Cu%         |
| High-grade (HG)      | 238,428        | 1.19        | 224,924        | 1.92        |
| Low-grade (LG)       | 74,707         | 0.53        | 48,115         | 0.53        |
| Blend (BG)           | 40,426         | 0.35        | 20,154         | 0.67        |
| <b>Total all ore</b> | <b>353,561</b> | <b>0.95</b> | <b>293,193</b> | <b>1.61</b> |

During August, mining operations more rigorously applied the ore control systems specifically designed to optimise outcomes and maximise ore control performance in Rocklands style orebodies.

Month-to-month average mined copper grades improved in August (see above table), with a circa 69% improvement in copper grades from 0.95% in July to 1.61% in August, notwithstanding some of this increase (approximately 10%) was the result of expected grade improvement with depth. The higher grades are anticipated to benefit production from late September.

The true measure of the effects of changes to ore control are assessed by comparing mining losses and dilution, which also improved significantly during August; from a net dilution value of -23.31% in July, to a net dilution value of -3.52% in August. Additional measures yet to be implemented to further reduce mining losses and dilution include the monitoring of mining of ore by geology staff, separation of incompatible ore types, and improvements to grade-control sample quality.

Chief Executive Officer Mark Gregory said *“August was a mixed result for the Company, with less than optimal performance at the process plant being offset by significant improvements in the mining and control of ore. The latter is an excellent outcome that should result in significant benefits to the project, as the effects gradually filter through the operation over time.*

*We now look forward to a much better September, with current indications that this will be the case.”*

On behalf of the Board.

ENDS.