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## MARKET RELEASE

17<sup>th</sup> October 2014

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ROCKLANDS COPPER PROJECT (CDU 100%)

## ROCKLANDS CRUSHER OPERATING DELIVERY OF PRIMARY ORE TO GLENCORE'S ERNEST HENRY MINE COMMENCES

### Rocklands Rectification and Re-commissioning Completed to Operational Capacity, with Potential for Significantly Increased Throughput

The Company is pleased to advise shareholders that re-commissioning of the Rocklands Copper projects main crusher circuit has now been completed, with only fine tuning and small in-house modifications being implemented to increase operational time and to decrease operational down time. Feed rates up to the nameplate capacity of 550 tonnes per hour achieved. Indications are from our experienced crusher operators that up to an additional 200 tonnes per hour is achievable as a result of the rectification work undertaken.

The Company has been carrying out rectification works to the Main Crushing circuit, which was supplied and installed by Queensland company Index Industrial Brokers (Index-EMS), from Brisbane.



Figure 1: Scalping screen used for removal of the coarse (+40mm) native copper

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Figure 2: Conveying ore from the Primary Jaw Crusher to the screen above No 1 Rolls Crusher

The crusher plant has required major rectification works and improvements of the electrical systems, particularly because the installation failed to comply with relevant contractual standards, Australian Standards and Queensland Mining Regulations. The Company also had to replace two failed gearboxes in the secondary and tertiary roller crusher circuits and was required to replace a number of other sub-standard parts during this period.

The Company issued legal proceedings in the Supreme Court of Queensland against Equipment & Machinery Sales Pty Ltd for the recovery of all costs and damages associated with the substandard installation.

### CRUSHER NOW OPERATING

The crusher is now operational and commissioned and the CuDeco metallurgical and process team are fine tuning the circuit so that production can commence for the coarse (+40mm fraction size) native copper product.

The full range of operating parameters are being evaluated on a range of feed rock hardness.

The crushing circuit testwork has now operated satisfactorily at 500 tonnes per hour with room for increased feed rates.



Figure 3: Crusher Operator Bevan Nolan checks settings on the Crusher Control Panel

Recent experience with processing the High-grade Native Copper Ore through the Company's mobile crusher to produce DSO native copper (see ASX Announcement 08th September, 2014) gave a good indication of the potential size of native copper nuggets that could be encountered (see Figure 05 below).

In response to this the team has also installed an additional scalping screen above Number 1 Rolls Crusher to enable the separation of the oversize (+200 mm fraction size) native copper nuggets for recovery and sale as part of the DSO.



Figure 4: Conveying Screen 1 ore product to the crushed ore stockpile, which feeds to the main Processing Plant via the underground reclaim feeders

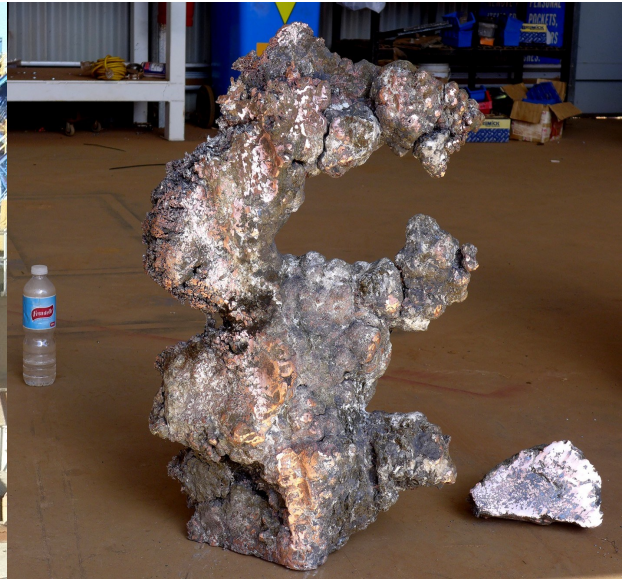


Figure 5: large predominately native copper mass weighing ~130kg, with marks from the mobile jaw crusher imprinted onto its surface.

Significant interest exists for these remarkably rare mineral specimens.



Figure 6: End piece cut from the above large nugget to create a base revealed near solid native copper metal (99.65% Cu), surrounding chalcocite (79.9% Cu), minor cuprite (88.8% Cu), and remnant minor calcite. This sample estimated at ~95% copper content by weight.

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## Shipment of High-grade Primary Ore to Glencore's Ernest Henry Mine (EHM) Underway

Following on from the recent announcement regarding trial processing of Rocklands high-grade primary ore at the EHM processing plant (Refer ASX announcement 14th October, 2014), CuDeco is pleased to advise shareholders that shipment of this ore has commenced.

On behalf of the Board

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Figure 7: Approximately 20 thousand tonnes of primary ore stockpiled and ready for shipment to EHM.



Figure 8: Contractor loading road trains with Rocklands primary ore ready for shipment to EHM processing plant

### **Competent Person Statement**

*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.*

### **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.*

*The estimation of grades of the native copper product is visual and may be slightly higher or slightly lower. The only contamination maybe some small amounts of rock still being attached after crushing, but visually the native copper nuggets are very clean and the rock fractured off with minimal crushing. The purpose of having these various types and grades tested in the smelters to give an accurate grade and smelter recovery."*