

ROCKLANDS OPERATIONS UPDATE

**JULY COPPER PRODUCTION SOLID
 HIGH RECOVERIES AND HIGH CONCENTRATE GRADES CONTINUE**

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that July production was solid at its Rocklands Copper Mine in Cloncurry Queensland, with 1,717 tonnes of copper metal produced in 6,438 DMT of concentrate averaging 26.7% Cu (mill estimates). July production follows a record month in June of 1,828 tonnes of copper metal produced.

The release of the July production figures have been delayed due to ongoing audit and update of metal balance accounting methods at the process plant.

July concentrate includes gold as a by-product estimated at a total of 615 ounces for the month.

Interim Chairman Peter Hutchison said “July is a solid result whilst we continue to work through various reliability issues at the HPGR. I look forward to the period when nameplate throughput is a normal occurrence and this objective remains our highest priority.”

As announced on 7th August approximately 8,620 WMT tonnes of concentrate mostly from July production, was loaded to ship on 1st August for sea-export to China.

Production

Metal recovery in July was 91% compared to 92% in June which shows consistent recovery performance. However overall performance in July was lower than forecast with several unplanned stoppages requiring lengthy shut-down periods. Collectively these issues were responsible for a 33% lower than forecast mill throughput for the period, which reduced net metal output.

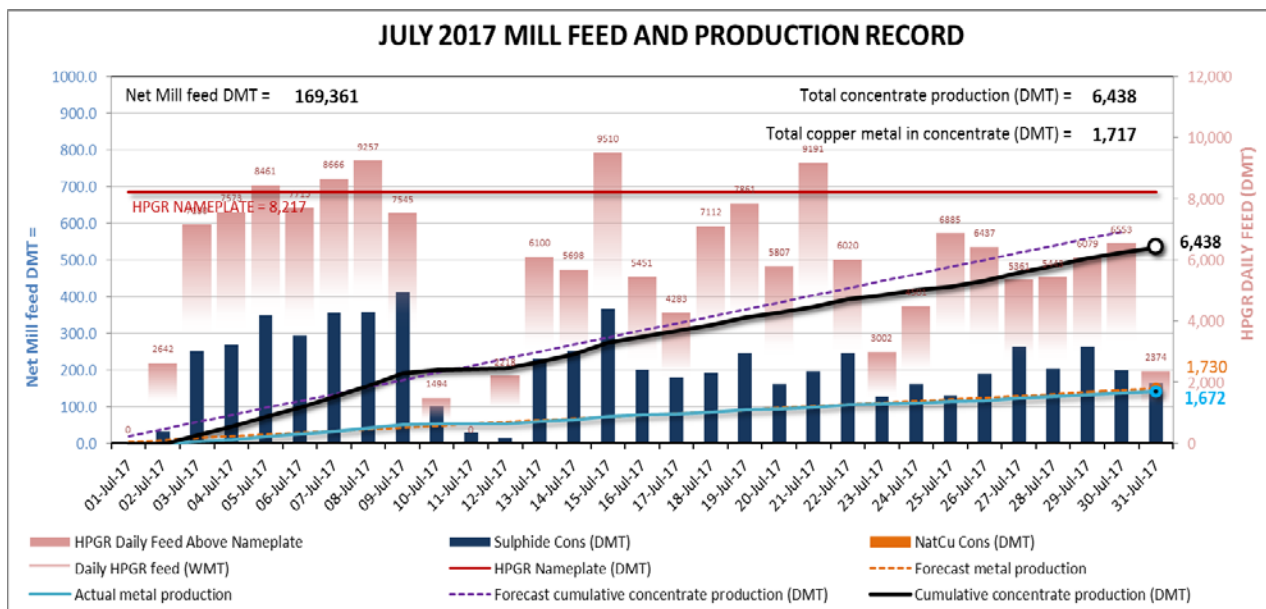


Figure 01: July production figures include total feed to the HPGR of 169,361 DMT and concentrate production of 6,438 DMT.

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Net ore feed to the Mill for July was 169,361 DMT @ 1.11% Cu (June 207,742 DMT @ 0.97% Cu). Average feed grades are anticipated to gradually increase over the remainder of the year as the project continues to focus on Rocklands designed ore management practices; and higher-grade ores are accessed from a deeper LM2 Pit.

Mining

Approximately 1.3 million DMT of rock was mined in July from the LM2 (1.2Mt) LM3 (0.1Mt), bringing the total since mining recommenced in March to 4.6 million DMT of rock. Ore mined in July was 353,561 DMT. Total ore mined since March is 1,231,386, at a strip ratio of circa 2.5 to 1.

Ore mined in July 2017 and totals since mining re-commenced in March 2017 (to end July 2017):

Ore type	Jul-17		All from March to end July 2017	
	DMT	Cu%	DMT	Cu%
High-grade (HG)	238,428	1.19	766,411	1.25
Low-grade (LG)	74,707	0.53	325,938	0.40
Blend (BG)	40,426	0.35	129,037	0.31
Total all ore	353,561	0.95	1,221,386	0.92

In response to recent operational reviews, Rocklands is reapplying a strong focus to systems of ore management that were specifically designed to optimise outcomes and maximise returns from Rocklands style orebodies. This is anticipated to contribute to an increase in mill feed grades over the coming months.

Chief Executive Officer Mark Gregory said *“July is a solid month for the Company and follows on from June’s record production.”*

Operational enhancements flagged in various announcements to date are carefully being rolled out and are expected to improve outcomes, particularly in the areas of ore management and processing efficiencies.

Copper prices are rising in both US\$ and A\$ terms and the AUD/US exchange rate is very favorable for our TC/RC charges that are calculated in US\$ terms, and of course is favorable for our bank debt which is in US\$ – in these respects the stars are aligning on the forex and commodities front.”

On behalf of the Board.

ENDS.