

ROCKLANDS OPERATIONS UPDATE

ORE FEED GRADES INCREASING AFTER IMPROVEMENTS TO ORE MANAGEMENT

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that October production at its Rocklands Copper Mine in Cloncurry Queensland included 1,759 tonnes of copper metal produced in 7,475 DMT of concentrate averaging 23.54% Cu (mill estimates). October production is an improvement on September of 1,707 DMT of copper metal produced.

October concentrate includes gold by-product estimated at 726 ounces for the month.

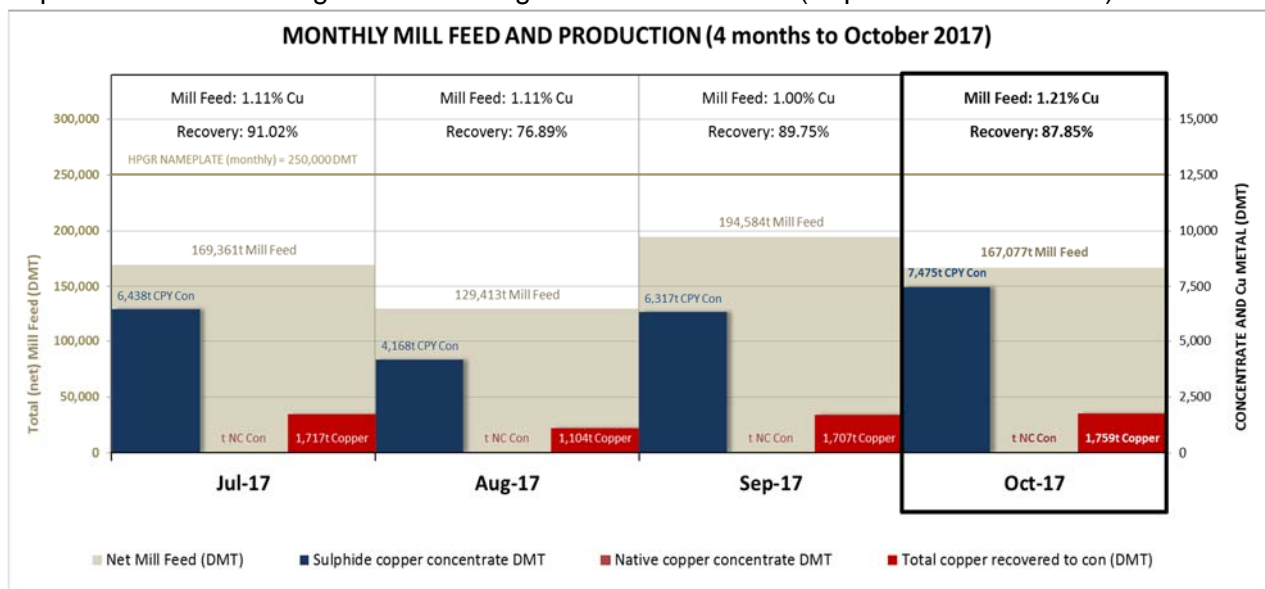
Interim Chairman Peter Hutchison said “October included a long, unplanned shut-down period at the ball mill which negatively impacted performance. None the less, issues are gradually being resolved at the Process Plant, and the last 5 days of the month immediately following the resumption of the ball mill were pleasingly consistent at an average of 7,902 DMT of mill throughput per day which is just under nameplate. Also on a positive note, November production to date is ahead on all forecasts.”

8,654 WMT of concentrate has been loaded and is expected to ship on or around 7th November for sea-export to China, with departure delayed by a few days due to congestion at the Port of Townsville.

Production

Metal recovery in October was 87.9% compared to 89.8% in September. The minor reduction is due to the effects of start-stop inefficiencies on grinding due to periods of shut-down. Overall performance in October was lower than forecast partially due to an unplanned maintenance shut-down period to address issues related to the previous months bearing change-out in the main ball mill motor. This contributed to mill throughput being circa 30% lower than forecast for the period.

Concentrate production remained ahead of forecast for the entire month, however it was at the expense of lower average concentrate grades of 23.54% Cu (September 27.02% Cu).



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Net ore feed to the mill for October was 167,077 DMT @ 1.21% Cu (September 194,584 DMT @ 1.00% Cu). Whilst ore grades have improved they were still lower than forecast for October due to selective processing of primary sulphide ore types, delaying delivery of high-grade native copper bearing ore to the mill as forecast.

Ore feed grades are none the less increasing, with October ore feed grades averaging 21% higher than in September.

Mining

Approximately 1.82 million DMT of rock was mined in October from the LM2 (0.51Mt), RS1 (0.84Mt) and LM3 (0.47Mt) pits, bringing the total since mining recommenced in March 2017 to 9.3 million DMT of rock. Ore mined in October was 294,302 DMT @ 1.35% Cu. Total ore mined since March is 2,116,366 @ 1.13% Cu at a strip ratio of circa 2.8 to 1.

Ore mined 4 months to October 2017:

Ore type	Jul-17		Aug-17		Sep-17		Oct-17	
	DMT	Cu%	DMT	Cu%	DMT	Cu%	DMT	Cu%
High-grade (HG)	238,428	1.19	224,924	1.92	191,980	1.80	166,233	1.96
Low-grade (LG)	74,707	0.53	48,115	0.53	51,489	0.52	63,507	0.65
Blend (BG)	40,426	0.35	20,154	0.67	32,955	0.47	64,563	0.50
Total all ore	353,561	0.95	293,193	1.61	276,424	1.41	294,302	1.35

Ore Stockpiles at end October 2017:

Ore type	Tonnes (WMT)	Volume	Cu (%)	Co (ppm)	Au (g/t)	Cu_(t)
Blend Grade	855,890	486,460	0.28	262.00	0.06	2,460
Low Grade	1,138,058	548,048	0.51	465.48	0.12	6,033
High Grade	534,813	276,842	1.95	816.27	0.31	10,865
Low & High Grade	1,672,871	824,890	0.97	577.62	0.18	16,898
All ore	2,528,761	1,311,350	0.74	470.80	0.14	19,358

Chief Executive Officer Mark Gregory said *"it is pleasing to see the higher ore feed grades during October were able to offset reduced mill throughput and lower recoveries that resulted from several unplanned maintenance and shut-down periods. Whilst frustrating, I do believe we are doing everything we can to address these issues."*

It is worth noting however we still produced 1,759 tonnes of copper metal for the month from only 167,000 DMT of ore throughput to the mill, which indicates what is possible when we finally achieve monthly nameplate of around 250,000 DMT of ore through the mill.

Combined with anticipated higher ore-feed grades when we process the now stockpiled native copper ore, I look forward to reporting robust production results in coming months."

On behalf of the Board.

ENDS.