

HIGHLIGHTS:

Significant Highlights post quarter end:

- **Offtake Agreement for sale of mineral concentrates from Rocklands Group Copper project completed with China Oceanwide International Holdings Co. Ltd (“China Oceanwide”). Oceanwide International Resources Investment Co. Ltd (“Oceanwide”) to subscribe for A\$130m of shares in Cudeco.**
- **Bonanza gold grades from principal gold source intersected in diamond drill hole DODH223 at Wilgar, with results of 5m @ 132 g/t au (4.24 ounces of gold per tonne from 14-19m), including 3m @ 215 g/t au (6.91 ounces of gold per tonne from 16-19m). Tellurium concentrations identified as key to unlocking principal source of gold at Wilgar.**
- **Potential High-Grade Gold Source at Wilgar Prospect With Visible Gold Recorded in Diamond Drill Core.**
- **New Bedrock Results Double The Footprint of Exotic and Precious Metals at Wilgar With Assays up to 173g/t Silver, 15.6g/t Gold and 6260ppm Molybdenum**

Quarter Highlights:

- CuDeco moves towards production with the \$200-\$250m million Rocklands Group Copper project, after entering into a contract with one of China’s largest state owned corporations Sinosteel to supply the 3 million tonne per annum mineral processing plant. CuDeco previously signed a Basic Engineering contract with Sinosteel to undertake the detailed plant design.
- The Company issued 6,250,000 new shares to a Hong Kong based resources company at a price of \$4.00 share for a total consideration of \$25 million, at a price which represents a premium of almost 30% to the last traded price of the Company’s shares on ASX prior to it entering into voluntary suspension on 10th March 2011.
- CuDeco remained in voluntary suspension whilst negotiations continued for an off-take agreement for Rocklands copper/gold and pyrite/cobalt concentrates, and whilst further funding arrangements are agreed with the Hong Kong based resources company.
- The Company signed a partnership agreement with the Cloncurry Shire Council for the upgrade of the access road to Rocklands (Corella Park Road) to ‘all weather’ standard and bitumen seal. Works are well advanced.

For personal use only

- Bulk sample processing of native copper, chalcocite and primary (chalcopyrite) ores at Nagrom pilot plant laboratories and Ammtec laboratories in Western Australia is nearing completion, with visible success of separation of clean native copper metal nuggets using the combination of High Pressure Grinding Rolls (HPGR) and continuous processing through the allmineral's alljig®.
- CuDeco and its environmental and geotechnical consultants will have all key changes and re-designs requested by Department of Environment and Resource Management (DERM) agreed with responsible personnel and Supplementary EIS and Environmental Management Plan documentation submitted prior to the end of April, 2011. Development of an advanced Rocklands Geological Model by the CuDeco Geology team in conjunction with the Company's geological consultants has increased significantly the Company's resource estimation confidence. This model has provided key information in identifying areas, for example, where the 2010 Resource estimation returned grades lower than indicated by CuDeco's in-house geology model.
- The post-resource drilling programme which has targeted several areas of interest highlighted by the Advanced Geological Model, is now completed, with some results already announced, but majority still to be completed.
- A new area of mineralisation has been encountered at the "Fairfield Prospect" in a hole (LMRC458) drilled to follow up RC drill hole DORC330 (DORC intersected a separate zone of Gold mineralisation). LMRC458 intersected two wide & separate zones of copper/cobalt/gold and gold mineralisation, **22m @ 1.23% Cu Eq from 87-109m** including 9m @ 2.31% Cu Eq from 87-96m which includes 5m @ 3.59% Cu Eq from 89-94m, also intersecting **45m @ 0.45g/t Au from 23-68m**, a separate zone of Gold mineralisation.

SIGNIFICANT EVENTS POST QUARTER END

CuDeco completes Offtake Agreement for sale of Rocklands mineral concentrates with China Oceanwide. Oceanwide to subscribe for A\$130m of shares in Cudeco.

The cornerstone investor company, China Oceanwide has agreed to purchase a minimum of 60% of the total product from the Rocklands Project, and has also agreed to purchase the entire 100% of production under the agreement, but at CuDeco's future discretion.

The term of the agreement is for 20 years.

Under the terms of the Offtake Agreement, as well as purchasing the copper/gold concentrates, the buyer is also purchasing the pyrite/cobalt concentrates, which are anticipated to be approx. 200,000 tonnes per annum. On current prices the margin on the pyrite/cobalt alone is approx. \$US805 per tonne. The pricing for the offtakes will be linked to the prices on the London Metals Exchange and the London Bullion Market Association.

Oceanwide, which has already subscribed to 6.25m shares @ \$4.00 per share, has agreed to subscribe to a further 14.95m shares @ \$3.80 per share which will entitle them to approx. 14.8% of the shares in CuDeco. Subject to shareholder and FIRB approval the new group has agreed to subscribe for a further 5% (approx. 12m new shares) of the expanded shares on issue which will entitle them to 19.9% of the total shares on issue in CuDeco. CuDeco would especially like to thank our Hong Kong Stockbroker and Finance Group Finansa Securities Ltd now (AM Capital Ltd) that was mandated over the past two years to assist CuDeco's Hong Kong and China Team to select a suitable cornerstone investor, Oceanwide International Resources Investment Ltd for CuDeco and the Rocklands Project. In addition to their mandate Finansa Securities Ltd has been assisting CuDeco with a possible secondary listing on the Hong Kong Stock Exchange with the ASX as our primary listing.

DURING THE QUARTER

CUDECO MOVES TOWARDS PRODUCTION WITH ITS \$200 MILLION ROCKLANDS COPPER PROJECT

CuDeco entered into a contract with one of China's largest state owned corporations Sinosteel to supply the 3 million tonne per annum mineral processing plant for the Rocklands Group Copper Project near Cloncurry in north-west Queensland during the quarter.

The Company has completed an exhausting and continuous 4 year metallurgical testwork programme from more than 5 independent metallurgical laboratories, and is now entering the final design phase. Independent consultants involved in the project include China's largest metallurgical and process group, China Nerin Engineering Co Ltd, which was awarded the final design contract for the BHP Billiton Giant Olympic Dam Copper Project in S.A., and Lycopodium Minerals (Qld) Pty Ltd which has been involved in the preliminary studies for the Rocklands project. The Company has now entered this new and exciting phase and it required a commitment from the Company to secure this supply to ensure the Company's forecast timeframe for the commencement of production is met.

The process plant will include circuits for the native copper metal recovery, and flotation circuits for the supergene and primary sulphide zones. Sinosteel will source the equipment from all over the globe, including China and under the agreement will arrange shipping to the Port of Townsville. Although not all of the mineral process equipment is being manufactured in China, Sinosteel has been appointed the supplier including water treatment and equipment for dewatering of tailings and return process water. Sinosteel one of the world's largest suppliers of mining equipment and projects in more than 70 countries were selected as our preferred supplier. Australian companies will also be quoting on some of the components under the umbrella of Sinosteel.

The intent is that the construction management of the Project will be undertaken by Lycopodium Minerals QLD Pty Ltd.

PLACEMENT OF 6.25M SHARES AT \$4.00 PER SHARE & NEGOTIATIONS FOR OFF-TAKE AGREEMENTS FOR COPPER CONCENTRATES FROM ROCKLANDS

The Company advised during the quarter that it had agreed to issue 6,250,000 new shares to a Hong Kong based resources company at a price of \$4.00 share for a total consideration of \$25 million. This placement was a term within a Memorandum of Understanding and “Framework Agreement”, now signed. The essential elements of the Framework Agreement are to secure additional funding and an Off-take Agreement with the Hong Kong based resources company, for the Rocklands Group Copper Project targeted for production in late 2012.

This share issue is a small part of the bigger strategy to secure the necessary capital for the development of the Rocklands Group Copper Project and associated infrastructure, by introducing a cornerstone investor. Oceanwide agreed to immediately and unconditionally subscribe for 6.25 million shares at a price which represents a premium of almost 30% to the last traded price of the Company’s shares on ASX prior to it entering into voluntary suspension on 10 March 2011.

MAJOR ROAD WORKS COMMENCE IN COLLABORATION WITH CLONCURRY SHIRE COUNCIL

Major Road Works have commenced to upgrade the access road to Rocklands (Corella Park Road), to an “all-weather standard road” including reconstruction and bitumen surfacing of the entire distance between the Rocklands site and the heavy-haulage Burke Development Road. The upgrade will give the Company heavy vehicle access to both Cloncurry and Mt Isa.

In an agreement between CuDeco and the Cloncurry Shire Council, and as part of the Council’s Local Roads Initiative, the current unsealed access road to Rocklands is being significantly upgraded to cater for heavy haulage vehicle access. The upgrade includes widening, addition of drains and culverts, construction of concrete creek crossings, intersections, signage and includes a heavy duty bitumen surface. The upgrade programme will also include turn-off and intersection adjustments required to access the greater Queensland Highway Network.

CuDeco is contributing \$2.2million as part of its partnership with the Cloncurry Shire Council, to the cost of the upgrade programme.

METALLURGY – Rocklands

To date more than \$4m has been expended on metallurgical testwork to ensure that the maximum recoveries can be achieved in the process treatment plant. The teswork has been carried out with a number of metallurgical consulting and laboratory groups. The bulk sample metallurgical processing is nearing completion at the large-scale piot plant testing at Nagrom laboratories in Western Australia. Two bulk samples of a total of over 5.27 km of PQ wide diameter solid core have been used to ensure representation of the orebody over a 245m strike length. The last bulk sample used in the testwork entailed using core over 170m of

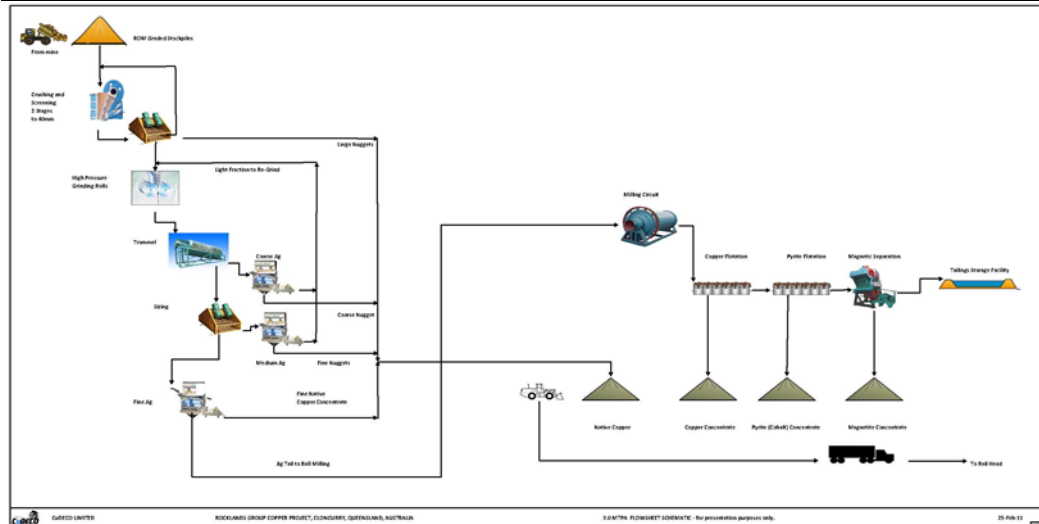
strike length. The final bulk sample includes native copper, primary ore, supergene and cobalt/pyrite ore and consists of more than 5 times the weight of the original bulk sample.

This testwork is an essential part of proving the conceptual process developed during small and large-scale laboratory processing using either large pilot-scale plant or small actual plant equipment for the 3 million tonne per year process plant. Final assays and validation of results for the key steps of the processing of the native copper, chalcocite and primary ores are still awaited. A single processing unit has been designed and is the basis for the confirmatory testwork which, is well as incorporating a conventional flotation plant to treat supergene and primary ores will incorporate a simple, but highly effective circuit to treat and recover the high grade native copper zones from within the Rocklands Orebodies. The process plant includes German crushing technology, the High Pressure Grinding Rolls (HPGR) which has proven to provide efficient liberation of the gangue material from the native copper metal, as well as being effective in processing the other ore types. HPGR technology is becoming more and more common in Australian resource processing industries and has performed outstandingly during the metallurgical testwork for the Rocklands Project.

To achieve the clean separation required, a new, but highly effective jig from German company, allmineral, is used following the HPGR and wet screening. This new type of jig is used in the South African Ferrochrome slag separation circuits and for separating iron ore from gangue material at BHP Billiton's, Whyalla, S.A. operation, and has tested and proven to provide clean and highly efficient separation of the native copper from the host rock. Recovery of native copper in the final bulk testwork for the -40, +4mm fraction size using the 'alljig' already completed, has shown a separation rate of 99% of the native copper from the host rock and ore. The manufacturer of the equipment believes they can increase the recovery through the jig process for this size fraction, (which consists of principally, the larger native copper metal nuggets) to over 99.5% due to the significant difference in SG of the native copper and the host rock. Similar results are expected from the -4mm, +1mm fraction size, based on testwork to date.

The recoveries of the minerals including the primary ore, supergene ore and the native copper have been outstanding and the 5-months of processing through to final flotation and filtration chalcopyrite, chalcocite, supergene and native copper ores at Nagrom and Ammtech metallurgical laboratories is being monitored by Mr Arthur Hunt, CuDeco's Technical Manager, a qualified metallurgist and mechanical engineer formerly holding senior technical and operational positions at BHP Billiton's Olympic Dam and Oz Minerals' Prominent Hill.

The project will produce copper/gold, cobaltic-pyrite, native copper and magnetite concentrate products. (The updated process flowsheet is given in Fig 1 below).



DEFINITIVE FEASIBILITY STUDY (DFS) – Rocklands

DFS activities have included simulation testwork of the crushing and grinding circuits and finalisation of the processing circuit as part of the final bulk-sample processing at the Nagrom pilot plant facility in Western Australia.

ENVIRONMENTAL IMPACT STATEMENT & MINING LEASE - Rocklands

The Company's application for a 40 year term mining lease over the entire Rocklands EPM (covering more than 20 km²) is under consideration by the Queensland Government. The essential requirement for the grant of a mining lease, is approval of the Draft Environmental Impact Statement (EIS) and subsequent Supplementary EIS and Environmental Management Plan.

Additional amendments to the submitted documents, further site-specific testwork and re-design work has been requested by the Department of Environment and Natural Resources (DERM) and has necessitated extensions for the time for submission and the Company and its environmental and geotechnical consultants, Synnot and Wilkinson, and Knight Piesold, have been committing extensive resources to have all key changes agreed by the DERM responsible personnel and documentation submitted prior to the end of April, 2011.

DEVELOPMENT OF ADVANCED ROCKLANDS GEOLOGICAL MODEL INCREASES RESOURCE ESTIMATION CONFIDENCE as POST-RESOURCE DRILLING PROGRAMME COMPLETED

Over the 6 months since the Company released an updated Resource Estimate for the Rocklands Copper Project, based on approximately 268,000m of drilling results, a comprehensive review has been undertaken on all aspects of the Resource Estimation process, with the aim of both understanding and improving on results.

A detailed comparative analysis of the Resource Estimate Block Model and the Company's own in-house Geological Model, was conducted with the help of external expert consultants and several key areas were identified for urgent follow-up drilling, including areas interpreted to be of insufficient geological confidence to support Indicated Category, and/or areas estimated by the modelling process to be lower grade than anticipated.

One of several issues identified from analysis of the 2010 Block Estimation Model, includes the occurrence of low-grade estimation blocks within areas expected to be higher grade by the CuDeco geological team. Spatial investigation of block data highlighted key areas within the resource, where limited drilling density may be impacting confidence levels for block-modelling purposes, and potentially resulting in less than optimal grade estimations along identified orebodies and between certain drill intercepts.

To address these issues, a Post-Resource Drilling programme commenced late last year, with the view to upgrading geological confidence in the areas being targeted and in the process, upgrade the estimated grades within the zones in question. The programme has been highly successful, with the majority of targeted areas intersecting significantly higher grade mineralisation (across the interpreted orebody width) than estimated by the block model estimate, and several zones intersecting much wider than expected zones of high-grade mineralisation. Several new mineralised zones have also been identified.

The Post-Resource Drilling campaign was designed to have a dual upgrading effect:

1. Upgrade lower-grade estimation blocks to higher-grade blocks.
2. Upgrade lower-category blocks (Inferred or less), to higher-category blocks (Indicated or Measured), via increased drill density.

Approximately 20,000m of additional drilling data has been added to the Company's official Resource Estimation Database, which currently stands at over 288,000m. Using this updated data, and based on an advanced Geological Model, an Updated Resource Estimate is well advanced.

SIGNIFICANT EXPLORATION EVENTS POST QUARTER END

Bonanza Gold Grades From Principal Gold Source Intersected in Diamond Drill Hole DODH223 at Wilgar

Exploration diamond drill hole DODH223 has returned exceptional results over significant widths (including bonanza gold grades), within a highly-altered zone intersected from 14-38m down-hole width (approximately 15m true-width). Visible disseminated gold was observed over several metres.

The highly-altered zone is interpreted to be associated with a principal source of mineralization at Wilgar and remains open along strike to the north-west and at depth. The high-grade gold assay results for diamond drill hole DODH223, include a record result for gold at Rocklands (1m @ 608 g/t Au (19.55 ounces of gold per tonne from 16-17m) that is approximately 10 times the previous record of 63.2g/t Au, which was also intersected at the Wilgar prospect.

Significant zones of silver and tellurium were also intersected within the interpreted zone, 7m @ 71.7 g/t Ag (2.31 ounces of silver per tonne from 14-21m), and 7m @ 679 ppm Te (from 14-21m), providing evidence that gold is strongly associated with tellurium (possibly the gold-telluride calaverite). Gold-tellurides are responsible for some of the richest gold ores in the world.

POTENTIAL HIGH GRADE GOLD SOURCE AT WILGAR PROSPECT WITH VISIBLE GOLD RECORDED IN DIAMOND DRILL CORE (See follow-up with assay results above)

Recent diamond drilling at Wilgar has intersected visible gold within a highly altered vein, interpreted to be associated with a potential source of high-grade exotic and precious metal mineralisation at Wilgar. The down-hole width of the zone is approximately 24m (from 14-38m), with an interpreted true-width of approximately 15m and remains open along strike to the north-west and at depth.

Disseminated visible fine gold has been observed in several locations within this vein, and are particularly apparent within the 15, 17 and 19m intervals of diamond drill hole DODH223, for which assays are pending.

Whilst evidence exists to suggest Wilgar is part of an IOCG system, recent work is gradually pointing towards Wilgar being part of a possible Intrusion-Related Gold System (IRGS), for which compelling evidence is becoming apparent.

The CuDeco geological team considers Wilgar to be a significant discovery, which is yet to show its true potential. It may well eventuate that Wilgar represents a completely unique mineralisation style that has not been documented before, and is not adequately explained by currently accepted geological models. The rare mix of minerals intersected in drilling by CuDeco includes rare-earths to 666ppm Total Rare-Earth Oxide (TREO), Drysdallite (only other occurrence in the world), Gold (up to 63.2g/t Au), Silver (up to 3200g/t Ag), Uranium (up to 13,700ppm U - 1.37%), Molybdenum (up to 31,800ppm Mo - 3.2%), Tellurium (up to 2670ppm Te), Selenium (up to 9780ppm Se), Copper (up to 17,400ppm Cu - 1.74%), Cobalt (up to 215ppm Co), Zinc (up to 1250ppm Zn) and Lead (up to 1460ppm Pb), certainly support the view that Wilgar is indeed a unique discovery.

EXPLORATION DURING THE QUARTER

NEW BEDROCK RESULTS DOUBLE THE FOOTPRINT OF EXOTIC AND PRECIOUS METALS AT WILGAR WITH ASSAYS UP TO 15.6g/t GOLD, 173g/t SILVER, 990ppm TELLURIUM and 6260ppm MOLYBDENUM

A high resolution bedrock drilling density is being used at Wilgar, designed to reveal the subtle imprinting of source mineralogy and originally emplaced bedrock that can still remain in the highly weathered surface profile, especially immediately adjacent to the source rock.

The geological team view the results from Wilgar as nothing short of spectacular for a soil based programme, where results are typically measured in the parts per billion (ppb) range, but at Wilgar we are reporting results considered high even for a parts per million (ppm)

programme range.n combination with a limited RC and diamond drilling programme, a picture is finally starting to form of the trend, (strike & dip), and morphology of the near surface mineralisation at Wilgar.

The most recent Wilgar bedrock (predominately from the regolith profile (soils), from surface down to the bedrock, which varies from 2 to 14 metres in depth) programme intersected significant mineralisation in 100 bedrock drill holes, from a total of 319 holes, adding to an already impressive positive hit rate.

A number of deeper Reverse Circulation (RC) and Diamond Core drill holes have also been drilled at Wilgar over the past 3 years, with highly encouraging results that collectively are helping to put the pieces of the Wilgar puzzle together. Intersections of up to 63.2g/t gold, 3,200g/t Ag, 7670ppm Uranium and over 3% Molybdenum are among the more noticeable intersections encountered.

Another important mineral intersected at Wilgar is Tellurium which, when associated with gold and silver, often forms high-grade Telluride minerals. Although Tellurium is rarely found in its pure state, it is one of the few elements that chemically combines with gold to form natural stable minerals. Gold bearing Tellurides are responsible for some of the richest gold deposits in the world and offer relatively simple extraction routes via cyanide leaching. Telluride based gold minerals are also found in Kalgoorlie, West Australia, which is recognised for containing the "richest mile of gold" in the world.

NEW AREA OF MINERALISATION "FAIRFIELD PROSPECT" FOLLOW UP RC DRILL HOLE LMRC458 INTERSECTING TWO WIDE & SEPARATE ZONES OF COPPER/COBALT/GOLD AND GOLD MINERALISATION

The hole was drilled as a follow up of high grade results received at this new prospect from a drill hole DORC330, drilled more than 18 months ago, but follow up drilling was put on the backburner whilst the balance of the infill drilling was being completed at the Southern areas. The Company reported visual mineralisation in Drill Hole LMRC458 in an ASX announcement on 14th December 2010

The results from this latest hole LMRC458 intersected **22m @ 1.23% Cu Eq from 87-109m** including 9m @ 2.31% Cu Eq from 87-96m which includes 5m @ 3.59% Cu Eq from 89-94m. The hole finished in lower grade copper mineralisation at 124m and as a result a major drill programme is being planned to follow up. The mineralisation is open at depth and in both directions of strike.

LMRC458 also intersected **45m @ 0.45g/t Au from 23-68m** separate zone of Gold mineralisation to and containing no copper mineralisation.

The Fairfield Prospect is approximately 1.5kms East of the Wilgar Prospect which also contains Gold mineralisation associated with Tellurides. The geology team are investigating if a link exists between the gold mineralisation found at Wilgar to that at Fairfield. The gold mineralisation is important as it appears to be a separate mineralising event to the main Rockland's style of Copper-Cobalt shear hosted mineralisation. This separate event opens the possibility to new targets that are not structurally related to the main Copper-Cobalt style of mineralisation.

Now that the current programme of infill drilling has been completed for the southern orebodies, these northern zones of high priority targets will be followed up. Wilgar, South West corner, Las Minerale extensions, Solsbury Hill and Rainden are just a few of a number of the high priority targets identified by the geophysical surveys and previous limited drilling and exploration that will be followed up during the year.

PROJECT OPERATIONS AND INFRASTRUCTURE IN CLONCURRY

During the quarter CuDeco completed its draft Development Agreement (DA) for the concentrated sheds and ship loading facility at the Townsville port. The DA has been presented to the Port of Townsville Limited (POTL) and the Company is working through the outstanding items with the POTL prior to obtaining it's lease for this facility.

EARTHMOVING FLEET

The current late model, used mining fleet consisting of more than 7 x up to 200 tonne Hitachi late model excavators and 16 Komatsu dump trucks and associated equipment, including dozers, water trucks, graders, service trucks, drill and blast equipment and loaders, with a combined new value of over \$40m, is moving into the final stages of the process of bringing all machinery up to "mine specification - ready" standard.

Approximately half of these units are now completed and painted ready for mobile performance testing and checking.

CHAIRMAN'S COMMENT

The start of 2011 has been very positive for CuDeco and is the culmination of nearly six years of hard work by all of the personnel that have worked on the project since the discoveries of these multiple zones of mineralization that are contained within this unique area of land known as the "Rocklands Group Copper Project". The Company is now in a unique position because of the low number of CuDeco Ltd shares on issue and I believe that with this, combined with a strong share price and on-going new discoveries, we can go into full production in late 2012 early 2013 with little or no debt. I also believe that the Company will have a strong cash flow from commencement of production.

I have made it clear at all AGM's I have chaired and that the board of CuDeco has made it clear of the firm intention that the Company pay dividends on a quarterly basis and that no profits from the Rocklands Project go into any other projects. I also believe that the Rocklands discoveries are only just beginning with new discoveries and zones of mineralization either being flagged as potential new discoveries by the Geophysical Surveying and results we are getting from grass roots exploration techniques devised by me over 40 years and further expanded and refined by the young Geological Team at Rocklands. The techniques for discoveries of mineralization at Rocklands demonstrate that we have a unique approach to exploration of grass roots projects. Many companies had explored the Rocklands site and found traces of mineralization but through "fear and inability" elected not to proceed and test their minor discoveries. When often asked , how

come you guys found this new area of mineralization when some of the biggest mining and exploration companies failed, the simple answer is, is that we leave no stone unturned and test and test every anomaly and are prepared to spend \$\$ to ensure an outcome. I think that in a lot of cases some geologists are not prepared to take a chance on expending Company funds in follow up work, because of the problems associated with failure after expending their company's cash and in my experience this is the major problem. At Rocklands the budget is tightly controlled, but with the right justification our geologists are able to explore, expend, test and discover without fear of failure, because in my opinion, whether a drill hole or an exploration programme finds or does not find, it is till giving vital information. This process of giving our geologists opportunity to justify expenditure and risk is the reason we continue to discover new orebodies and zones of mineralization. The mineralization has been there for millions of years, but no-one has bothered to take a real look and have a real go. CuDeco is prepared to take the risks and to date we have been handsomely rewarded.

Wilgar Prospect is looking good and Jack Wang our Chinese/Canadian geologist who has been on our team for the past 3 years has taken Wilgar as his project and is now starting to understand what is happening at that prospect. I think that Wilgar maybe masking a serious multi metallic prospect and with the soil samples returning ounces per tonne and high grade gold results, it is something that I have never seen in my 40 years in this industry. I doubt many geologists or prospectors have witnessed soils carrying such high grade mineralization. The mineral has to come from somewhere and I don't think we are too far from it. The high gravity and Induced Polarization geophysical results and the topographics, indicate a number of possibilities, and it is for me a little too early to make predictions on how big and what direction it may take, but Wilgar, Solsbury Hill and Fairfield, may be associated, based on the presence of Tellurides that seem to be a common factor within these physically close and possibly, knitted group. We shall see as the Wilgar story unfolds. Having said this and as exciting as Wilgar is looking, it is still early days, but Wilgar is only one of more than 20 areas that we have positive signs of potential for new zones of mineralization. We have numerous areas that have been identified by geophysical surveys and grass roots exploration techniques that are going to require our full attention as time goes on. Although we have made the Rocklands into a world class Copper/Cobalt/Gold Project, the new discoveries are extending these advances on our known orebodies. I feel that there is plenty more to come in the CuDeco/Rocklands story, and even after 6 years of exploration and more than \$65m expended we have still only scratched the surface of this majestic and mysterious area of land known as Rocklands.

In relation to funding of the Rocklands Project I would like to point out that funding of this project has never been a problem. Our problem has been finding the right people to invest and fund this great project. I believe that we have found the funding from the people we have sought to be involved, such as Oceanwide and M & G, and carry this project to our common goal of generating value for our shareholders. It is not just a case of raising funds for the project just to raise the funds; it is raising the funds from the people that feel as passionate about Rocklands as I do. We haven't rushed this process as my only concern is to make a decision based on what is best for CuDeco shareholders and who can contribute the best deal for them. We managed to place the new stock at a 30% premium, because the new investor did his homework and his Due Diligence properly, and not just a cursory half-hearted lazy glance; in their opinion, CuDeco was vastly undervalued and they were prepared to pay a large premium over the trading price at the time.

Shareholders, I firmly believe that this year and the year we commence production will be what we have all worked so hard for and our rewards will be worth the wait.

During negotiations, the Board was mindful of CuDeco shareholders who, for personal reasons, may have wished to trade their securities during the voluntary suspension of CuDeco, but I considered that the importance of the agreement to all shareholders warranted the security measures taken and in my view needed to be done so that shareholders were then able to make decisions knowing all of the facts.

Yours faithfully



Wayne McCrae
Chairman

For personal use only

HOLE LOCATIONS

Hole Id	Easting	Northing	RL (m)	Dip (°)	Azimuth (°)	Hole Depth (m)
LMRC458	433596	7716286	231	-55	210	124
DORC330	433548	7716266	221	-55	150	154
DODH223	432244	7715704	236	-30	090	110.1

Datum: AGD66 Projection:UTM54 surveyed with Hand Held GPS, accuracy 4m.

MINERALISED INTERCEPTS

DORC330		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	8m	@ 4.66%	3.09%	1379	0.41	58m	- 66m

LMRC458		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	22m	@ 1.23%	0.76%	454	0.00	87m	- 109m
<i>Including</i>		9m	@ 2.31%	1.47%	826	0.00	87m	- 96m
<i>Including</i>		5m	@ 3.58%	2.37%	1210	0.00	89m	- 94m
Intersection	2	45m	@ 0.29%	0.01%	48	0.45	23m	- 68m

DODH223

Gold (Au):

Intersected **20m @ 34.1 g/t Au** (1.10 ounces of gold per tonne from 14-34m)
Including **7m @ 95.5 g/t Au** (3.07 ounces of gold per tonne from 14-21m)
Including **5m @ 132 g/t Au** (4.24 ounces of gold per tonne from 14-19m)
Including **3m @ 215 g/t Au** (6.91 ounces of gold per tonne from 16-19m)
Including **1m @ 608 g/t Au** (19.55 ounces of gold per tonne from 16-17m)

Silver (Ag):

Intersected **20m @ 59.3 g/t Ag** (1.91 ounces of silver per tonne from 14-34m)
Including **7m @ 71.7 g/t Ag** (2.31 ounces of silver per tonne from 14-21m)
Including **5m @ 44.7 g/t Ag** (1.44 ounces of silver per tonne from 14-19m)
Including **3m @ 38.6 g/t Ag** (1.24 ounces of silver per tonne from 16-19m)
Including **1m @ 6.1 g/t Ag** (0.20 ounces of silver per tonne from 16-17m)

Tellurium (Te):

Intersected **20m @ 251 ppm Te** (from 14-34m)
Including **7m @ 679 ppm Te** (from 14-21m)
Including **5m @ 854 ppm Te** (from 14-19m)
Including **3m @ 1110 ppm Te** (from 16-19m)
Including **1m @ 2670 ppm Te** (from 16-17m)

For personal use only

Competent Person Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by GeoDay Pty Ltd, an entity engaged, by CuDeco Ltd to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and he is a Member of the Australasian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ores Reserves". Mr Day consent to the inclusion in this report of the 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: *is dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralization with high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Polymetallic copper-cobalt-gold mineralization persists throughout the oxidation profile and remains open at depth.*

Solsbury Hill style mineralisation: *is brecciated and vein hosted, throughout varying rock types, hosting coarse splashy primary mineralization with supergene bornite and native copper. Polymetallic copper-gold mineralization persists throughout the oxidation profile and remains open at depth.*

Wilgar style mineralisation: *Polymetallic and rare element prospect, which includes Au, Cu, Mo, Ag, Te, Se, ±U. The high-grade gold, silver and tellurium are present as tellurides. The mineralisation occurs within multiple veins which may relate to part of a IRGS (Intrusion-Related Gold System) at depth.*

Notes on Assay Results

All analyses are carried out at internationally recognized, independent, assay laboratories. Quality Assurance (QA) for the analyses is provided by continual analysis of known standards, blanks and duplicate samples as well as the internal QA procedures of the respective independent laboratories.

In order to be consistent with previous reporting, the drill intersections reported above have been calculated on the basis of copper cutoff grade of 0.2% or Co cutoff grade of 200ppm or a combined equivalent, with an allowance of up to 4m of internal waste.

Calculated Co and Au grades are reported in the original release for relevant Cu Equivalent intersections.

Reported intersections are down-hole widths. Combined Copper Equivalent results reported over multiple intersections are calculated on a weighted average.

Cu ≡ Copper
Co ≡ Cobalt
Au ≡ Gold
CuEq ≡ Copper Equivalent

***Copper equivalent (CuEq) calculation** - The formula for calculation of copper equivalent is based on the metal prices and metallurgical recovery of:

Copper: \$2.00 US\$/lb; Recovery: 95.00%
Cobalt \$26.00 US\$/lb; Recovery: 85.00%
Gold: \$900.00 US\$/troy ounce Recovery: 75.00%

The recoveries used in the calculations are the average achieved to date in the metallurgical testwork on primary sulphide, supergene, oxide and native copper zones.

The Company's opinion is that all of the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

Notes on Wilgar Assay Results

All analyses are carried out at internationally recognized, independent, assay laboratories. Quality Assurance (QA) for the analyses is provided by continual analysis of known standards, blanks and duplicate samples as well as the internal QA procedures of the respective independent laboratories.

Wilgar drill intersections reported have been calculated on the basis of a gold cut-off grade of 0.4g/t with no allowance for internal waste.

Reported intersections are down-hole widths. Weighted averages are reported in drill holes with more than one intercept of mineralization.

Au = Gold
Ag = Silver
Te = Tellurium
Mo = Molybdenum
Pb = Lead
Cu = Copper
Co = Cobalt
U = Uranium
Se = Selenium
Zn = Zinc

For personal use only

Bedrock Drilling:

Bedrock drilling at Rocklands is completed with the Company's own Ingersoll Rand, LM500C Rotary Air Blast (RAB), Hydraulic Crawler Drill, which drills vertical holes from the surface down until hard bedrock is reached. When reached, the drill continues for another metre before stopping. Samples are taken down hole in 1 metre intervals from surface, including the last metre which is typically hard bedrock. A six metre hole typically provides 5m of softer, decomposed surface material (colluvium, alluvium, regolith or just plain soil), and one metre (the last metre), of fresh bedrock. The depth of the softer cover material at Rocklands generally varies from 2 to 14 metres in thickness.

For personal use only

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(3,158)	(7,336)
	(b) development	(4,084)	(4,084)
	(c) production	-	-
	(d) administration	(924)	(3,227)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	319	1,340
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - Rental bond (paid) / received	-	(16)
	Other - R&D tax concession received	-	299
	Other - Trainee grant received	-	2
Net Operating Cash Flows		(6,369)	(13,023)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1,095)	(2,863)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	850
	(c) other fixed assets	6	12
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(1,089)	(2,001)
1.13	Total operating and investing cash flows (carried forward)	(7,458)	(15,024)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,458)	(15,024)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	25,350	45,350
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - share issue costs	(57)	(1,080)
	Other - on-market share buy back	-	(2,205)
	Net financing cash flows	25,293	42,065
	Net increase (decrease) in cash held	17,834	27,040
1.20	Cash at beginning of quarter/year to date	45,467	36,430
1.21	Exchange rate adjustments to item 1.20	(276)	(445)
1.22	Cash at end of quarter	63,025	63,025

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	539
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$A'000
Directors' and their related parties remuneration	\$490
Rent paid to director & director-related entity	\$ 49

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,100
4.2 Development	9,400
4.3 Production	-
4.4 Administration	1,200
Total	11,700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	25,525	10,467
5.2 Deposits at call	37,500	35,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	63,025	45,467

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not applicable		
6.2	Interests in mining tenements acquired or increased	Not applicable		

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	151,762,643	145,512,643		
7.4 Changes during quarter				
(a) Increases				
Share Placement	6,250,000		\$4.00	\$4.00
Option Exercise	100,000	100,000	\$3.50	\$3.50
(b) Decreases				
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Consultant options	300,000	-	\$3.50	10.06.12
Employee options	2,400,000	-	\$4.00	31.07.12
Employee options	200,000	-	\$4.50	31.07.12
Directors options	2,700,000	-	\$6.50	31.12.12
Employee options	100,000	-	\$4.50	22.02.13
Employee options	600,000	-	\$2.50	15.09.13
Employee options	200,000	-	\$2.50	13.09.13
Consultant options	600,000	-	\$2.50	15.09.13
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	100,000	100,000	\$3.50	25/11/11
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

For personal use only

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 April 2011
(Director)

Print name: Wayne McCrae

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

====

+ See chapter 19 for defined terms.

For personal use only