

ROCKLANDS COPPER PROJECT (CDU 100%)

DEVELOPMENT UPDATE

CLONCURRY MULTI-USE RAIL-LOAD FACILITY

**From Mill to Market Via Three-stage Concentrate Transportation Process
Employing Best Practice Environmentally Safe Procedures**

Major design criterion for the Cloncurry Multi-use Rail-load Facility have been completed, clearing the way for lodgement of the Development Application (DA).

A 3D animation of the Facility can be viewed at; www.cudeco.com.au/presentations.asp

The facility is located approximately 7km east of the major regional township of Cloncurry in North-west Queensland Australia, and forms a critical component of a three stage mill-to-market process facilitating transportation of concentrates from our Rocklands Group Copper Project located approximately 15km from the township of Cloncurry, to international markets.

Located east, and on the Townsville-side the township of Cloncurry, the Company avoids adding further congestion to the already problematic rail induced grid-locks that occur in the township from time to time due to slow-moving trains (up to 1.2km long), shipping concentrate through the middle of town, from facilities owned by other operators to the north and west of town.

CuDeco's three stage mill-to-mine process includes;

- Stage 1: Negatively pressurised loading facility at the Rocklands Group Copper Project, where concentrates from the Mill are loaded directly into sealed containers within a negatively pressurised environment designed to contain concentrate dust and significantly reduce impact on the environment.

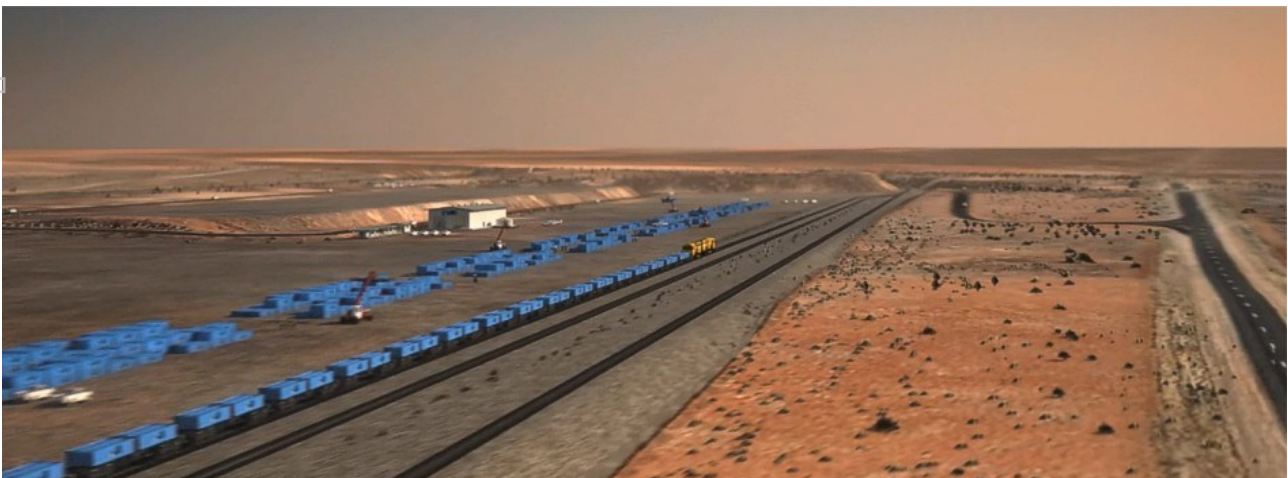


Figure 1: View looking east at the Cloncurry Multi-user Rail-load Facility - 3D design model

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Once sealed, containers are dispatched to the Company's Multi-use Rail Load Facility in Cloncurry.

- Stage 2: The Cloncurry Multi-use Rail-load Facility is capable of processing up to 480,000 tonnes of mineral concentrates per annum from CuDeco's 100% owned Rocklands Group Copper Project. The Multi-use Rail-load Facility provides access to the Port of Townsville via the Queensland Rail network.
- Stage 3: CuDeco's Port of Townsville Ship-loading and Storage Facility includes storage capacity of up to 400,000 tonnes of mineral concentrates and includes an associated Ship-loading Facility capable of loading concentrates at the rate of 2,000 tonnes per hour. The Ship-loading facility provides access to international markets and completes the final stage of the Company's 3-stage mill-to-market cycle.

All Facilities are 100% owned by CuDeco Limited.

Production from the Rocklands Group Copper project (100% owned by CuDeco), is due to commence in late 2013.

Collectively, the Company's loading and transportation facilities will represent one of the most environmentally friendly systems of minerals concentrate transportation yet built in Queensland.

The company recently received the Development Permit from the Queensland Department of Environment and Resource Management (DERM) for the Company's Ship-loading and Concentrate Storage Facilities, and is currently awaiting Development Approval from the Port of Townsville and the Queensland Government, so that construction on both projects can begin.

Yours faithfully



Wayne McCrae
Chairman

View 3D animation of the Facility; www.cudeco.com.au/presentations.asp



Figure 2: Loading of sealed containers at the Cloncurry Multi-user Rail-load Facility - 3D design model



Figure 3: View looking north-west at the Cloncurry Multi-user Rail-load Facility - 3D design model