

ROCKLANDS COPPER PROJECT (CDU 100%)

DEVELOPMENT UPDATE

CLONCURRY MULTI-USER RAIL LOAD-OUT FACILITY GETS GREEN LIGHT WITH BACKING OF THE QUEENSLAND STATE GOVERNMENT

MEMORANDUM OF UNDERSTANDING SIGNED BETWEEN CUDECO, XSTRATA COPPER AND MINMETALS GROUP

The Company is pleased to report it has signed a joint memorandum of understanding with Xstrata Copper and Minmetals Group for the joint development of the Company's Multi-user Rail Load-out Facility near Cloncurry, Queensland, Australia.

Today's agreement addresses some 18 months of uncertainty faced by the wider Cloncurry region with respect to limited rail access, and highlights the Company's foresight in both recognising the need for enhanced regional infrastructure and then taking the necessary steps to address the issue more than 12 months ago.

The Company welcomes both Xstrata and Minmetals to the Joint Facility, and embraces the degree of cooperation expressed by all parties to develop the site for mutual benefit, not only of the signatories, but for the benefit of the wider Cloncurry region and ultimately, the State of Queensland.

The Company also recognises the commitment of the new Newman government to help get Queensland back on track, and thanks the Minister for Natural Resources and Mines, the Honourable Andrew Cripps, for his support, and for the efforts of his department in facilitating the agreement.

As part of the agreement, Facility partners will make an annual contribution to a Local Cloncurry Community Fund, plus make an additional payment based on the Facility's throughput, all up expected to total about \$100,000 per year.

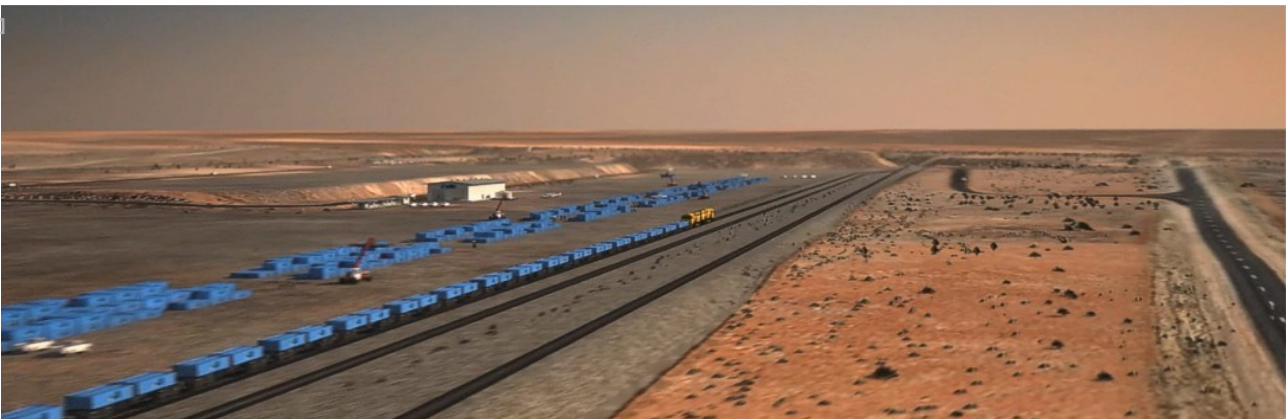


Figure 1: View looking east at the Cloncurry Multi-user Rail-load Facility - 3D design model

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A preliminary 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 operators to the north and west of town.

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

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. 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.

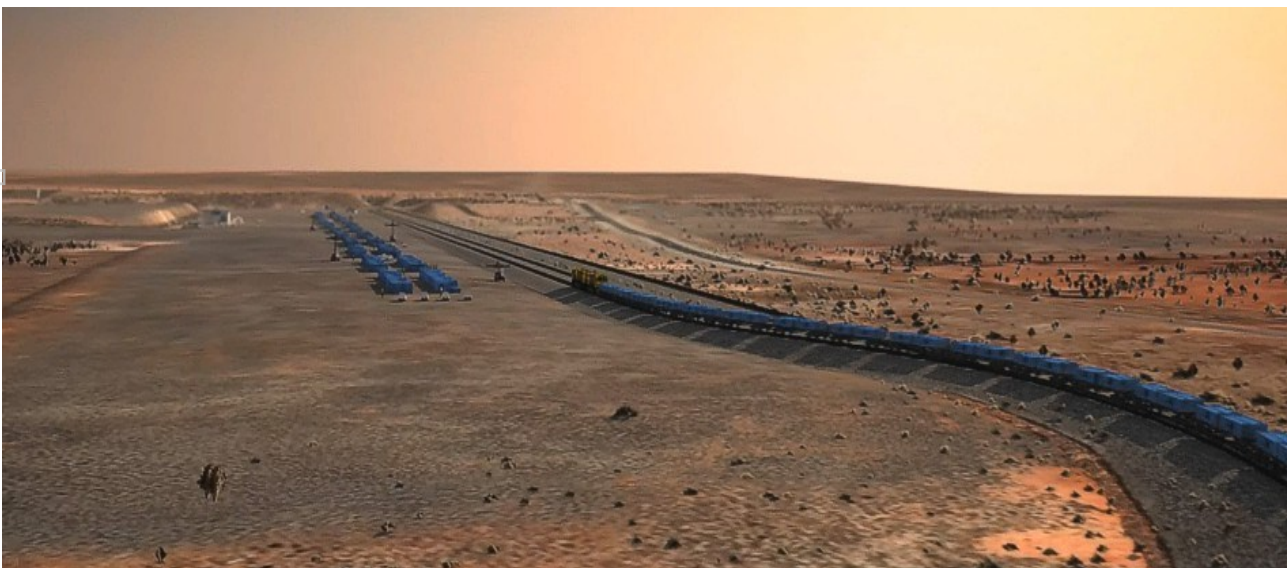


Figure 2: View looking north-west at the Cloncurry Multi-user Rail-load Facility - 3D design model

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), and Development Approval from the Port of Townsville Authority, for the Company's product storage terminal and ship-loading facility located at the Port of Townsville.

Yours faithfully



Wayne McCrae
Chairman

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



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