

ROCKLANDS COPPER PROJECT (CDU 100%)

CHAIRMAN'S LETTER TO SHAREHOLDERS

**FAIRFIELD DRILLING PROGRAMME RECOMMENCES WITH IMMEDIATE SUCCESS
MASSIVE AND SEMI-MASSIVE CHALCOCITE (HIGH-GRADE COPPER MINERAL)
INTERSECTED OVER WIDE ZONES**

**NEW NATIVE COPPER DISCOVERY
COARSE NATIVE COPPER HAS BEEN IDENTIFIED IN A SEPARATE NEW ZONE
PREVIOUSLY UNIDENTIFIED - 50m OFFSET TO LAS MINERALE**

September has been a great month for CuDeco with high-grade drilling results from the Fairfield Prospect and the discovery of a new, previously unidentified zone of native copper, located 50m offset to the Las Minerale native copper zone. Importantly, this new zone is within the area of the proposed starter pit meaning this is new zone is effectively free ore. I have included details of these developments in this report.

Activities at site are ramping up considerably, and the Project has seen its first shot (blast) take place, which was a long anticipated event for all at site.

Adding to the good news, the copper price has recently rallied and our share price is at recent highs.



Figure 1: Excavation of the diversion channel, removing material from the second shot of the project. Dump trucks wait in line as each is loaded by the Hitachi 1900 Excavator. All Equipment is 100% owned by CuDeco.

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Figure 2: Second "shot" of the project was significantly larger than the first.

Exploration

Fairfield is located in the north-west of the Company's mining lease, approximately 2.5km from the flagship Las Minerale orebody. Fairfield is one of several prospects at Rocklands for which a resource estimate has not yet been completed and current drilling will continue with the view to expanding and defining the high-grade mineralised zone and eventually preparing a Resource Estimate on the prospect. It is anticipated Fairfield ore will be added to the high-grade inventory to be processed in the initial years through the Rocklands Plant.

Once a Resource Estimate has been completed for Fairfield, mining studies can be undertaken to determine if Fairfield will become an open-pit or underground mining operation.

Fairfield is one of a number of prospects in waiting at Rocklands, which includes discoveries of Copper, Gold, Silver, Molybdenum, Uranium and Tellurium, each of which could potentially support profitable stand-alone mining operations, but become even more attractive with an operating mining operation on the site including a process plant and supporting infrastructure, fleet of 100% owned mining equipment, and numerous qualified mining personnel at hand.

Many of these "prospects in waiting" will gain our full attention once the Rocklands process plant is commissioned and production commences. The company still has two High powered RC drill rigs on site in storage waiting for the production to commence, and at that time will go back into operation with an expanded exploration budget.

The company has also conducted desk-top and field reconnaissance exploration activities on the new EPM18053 which shares a common boundary point with the Rocklands ML90177 located to the south-west. The three sub-blocks of close to 10 square kilometres in area, were awarded to CuDeco in late 2011 and have a number of historic copper and graphite mines within the boundaries. More active ground activities are planned to commence shortly.

One thing is for sure at Rocklands, it never fails to deliver exciting news and has to be one of the richest mineralised areas within Australia.

Infrastructure Works on time under budget

Rocklands Infrastructure works are progressing well, with the Water Storage Dam and Diversion Channel well advanced, and major clearing and preliminary ground work completed in numerous areas.

Infrastructure costs are currently running at **\$16m under budget** compared to pre-development costing studies. Highly proficient management of assets, and innovative development methods, are resulting in considerable time and costs savings throughout the project.

By way of example, the use of large scrapers for removal and storing of organic and top soil for later use in rehabilitation, is costing an average of approximately \$1.10 per Bank Cubic Metre (BCM), compared to pre-development estimates of \$3.50 per BCM. The Project currently has two teams of 3 Scrapper each, moving a total of 16,000 BCM's per day.

The Diversion Channel was estimated at \$8.50 per BCM in pre-development studies, and is currently averaging just \$3.50 per BCM.

Crushing Circuit

We are advised by EMS/Index our suppliers of the crushing circuit that the crusher is to be transported to site by the end of September and that the foundations for the three stage crushing circuit will commence shortly. The area has been surveyed in preparation for contractors to arrive for the erection. The contract requires that the complete crushing circuit to be installed and commissioned by mid December 2012.

Installation of the Process Plant

The company is in final discussions with a number of contractors for the erection and construction of the 3 million tonnes per annum mineral process plant at Rocklands. The plant has been designed to accept various types of ore and has individual circuits to produce a Copper-Gold, Cobalt- Pyrite, Native Copper and Magnetite concentrates.

The company expects to have the contracts finalised by the end of September/mid October. Shipping of the process plant from Germany and China commences late October, with a number of shipments with the final shipment arriving April 2013. The process plant is expected to be commissioned late 2013. The foundations for the ball mill and the HPGR that are the two largest pieces of equipment in the mineral process plant, are expected to commence by late September/mid October 2012.



Figure 3: Scrapers (foreground), dump trucks (left), dozers, graders and water-trucks (middle backgoud), constructing the main Water Storage Facility at Rocklands, primarily designed to provide water to the Rocklands Process Plant.

FAIRFIELD RESULTS UPDATE

**GOLD RESULTS ADDED TO HIGH-GRADE INTERSECTION
AT FAIRFIELD**

**TOTAL RESULTS FROM MASSIVE AND SEMI-MASSIVE CHALCOCITE ZONE
INTERSECTED IN DIAMOND DRILL DODH443;**

18m @ 5.31% CuEq

(from 71m)

Including;

5m @ 7.78% CuEq

(from 76m)

Within a wider copper-dominated mineralised zone of;

25m @ 3.96% CuEq

(from 71m)

With an average gold result of 0.53g/t over the high-grade copper intersection (18m @ 5.31% CuEq), the gold results represent an important credit that effectively covers the cost of both mining and processing of Fairfield ore should it be accessed. Fairfield is located in the north-west of the Company's mining lease and approximately 2.5km from the flagship Las Minerale orebody. Fairfield is one of several prospects at Rocklands for which a resource estimate has not yet been completed and will potentially add to high-grade inventory to be processed through the Rocklands Plant.

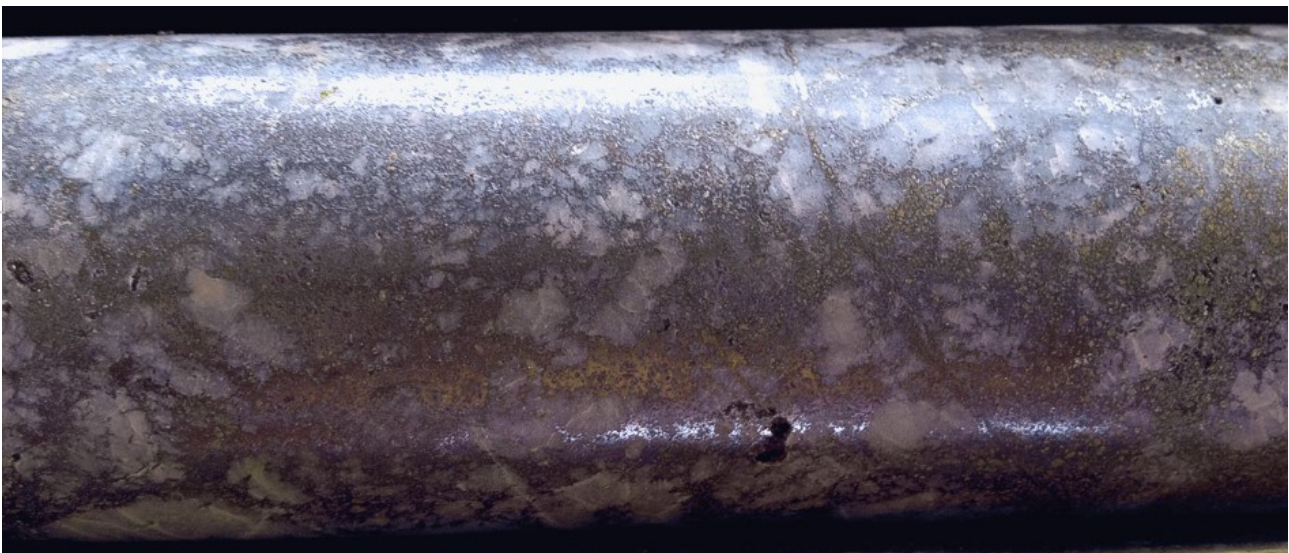


Figure 4: Example of high-grade drill core from approximately 79m in diamond drill core DODH443 at Fairfield. Massive and semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

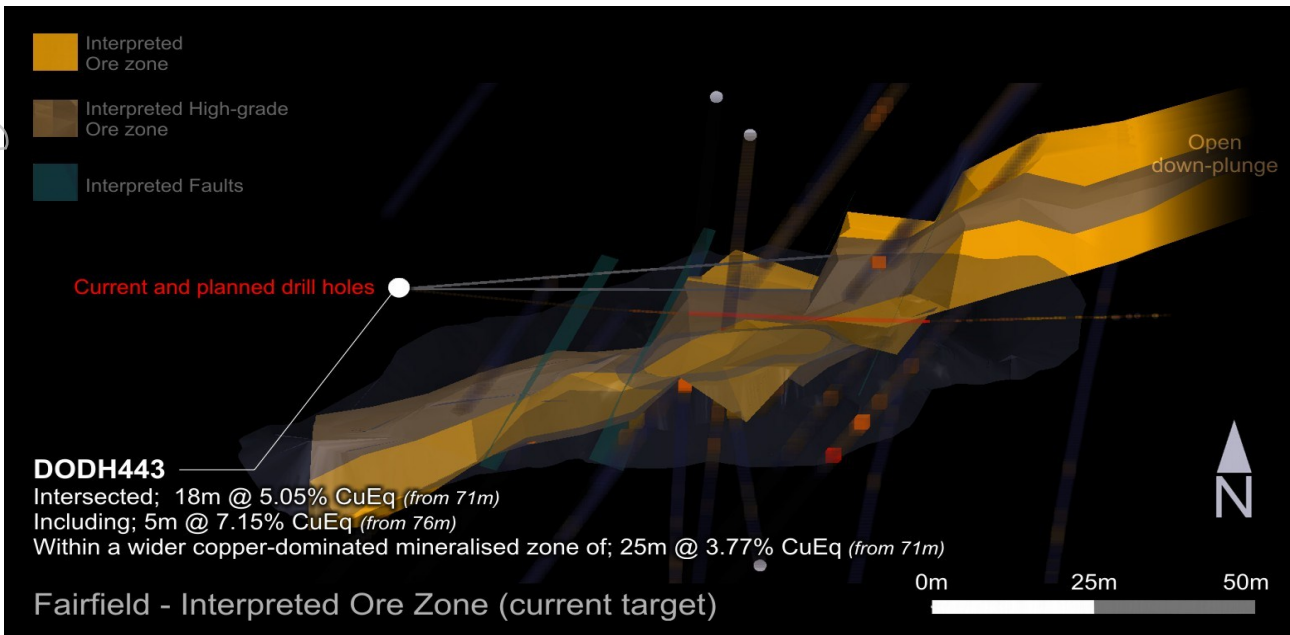


Figure 5: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and as such, is likely to have missed them.

The Fairfield mineralised structure, dominated by sulphides (chalcocite, chalcopyrite and pyrite), was intersected from 55-96m (41m) and included a cobalt dominated zone of 12m @ 313ppm Co from 55m and copper-rich zone of 25m @ 3.77% CuEq from 71m. The drill continued to intersect sporadic sulphides (dominated by pyrite to 8%, and minor chalcopyrite to 2%) from 96m to the end of the hole at 179m. The hole ended in an apparently associated mineralised system to the south of the identified Fairfield mineralised structure...in a location not previously considered prospective. Follow-up drilling is planned.

Results from DODH443 include;

DODH443		Width	Cu Eq	Cu %	Co ppm	Au g/t	From (m)	To (m)
Intersection	1	25m @ 3.96%		2.56%	1140	0.39	71m	- 96m
<i>including</i>		18m @ 5.31%		3.42%	1540	0.53	71m	- 89m
<i>including</i>		5m @ 7.78%		5.47%	1670	1.29	76m	- 81m

Cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste. Assay results are awaited for the remainder of the hole...from 96-179m.

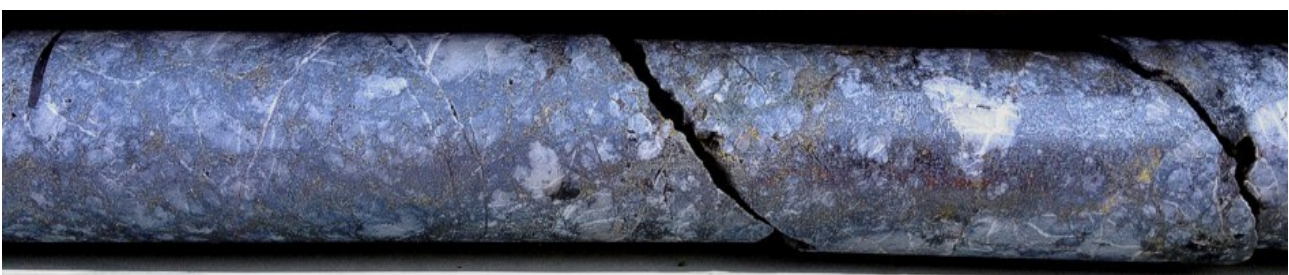


Figure 6: Example of high-grade drill core from approximately 79-80m in diamond drill core DODH443 at Fairfield. Massive and semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

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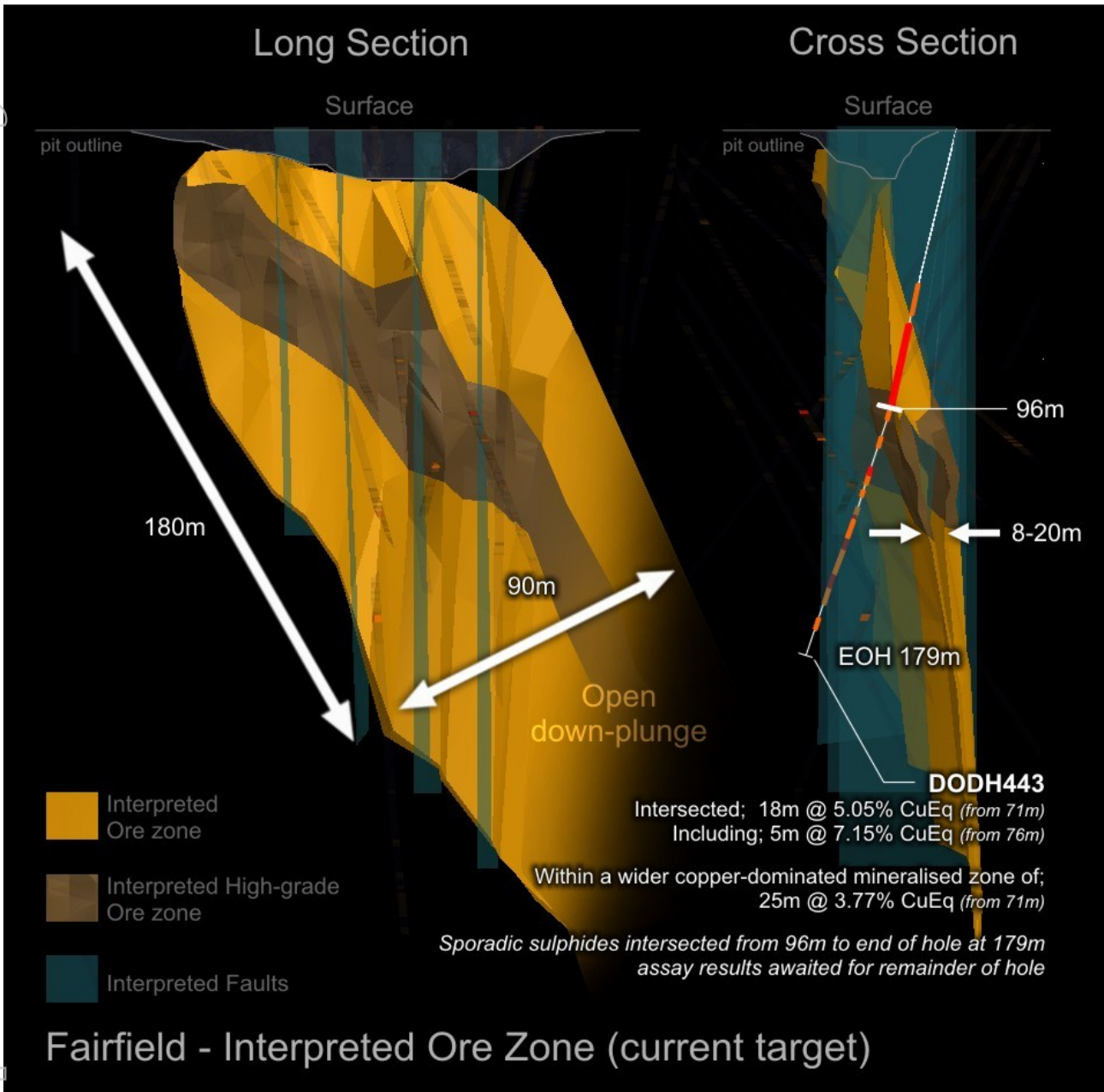


Figure 7: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and is likely to have missed them. The above long-section shows the interpreted plunge of the mineralised zone and the cross section shows the near-vertical dip. A high-grade zone, initially interpreted to be a supergene blanket, appears to continue down the apparently plunging mineralised zone, as confirmed from the current drill hole, opening up considerable potential for additional high-grade mineralisation down-plunge.

Development and refinement of the Fairfield geological model has resulted in a series of new targets and a new drilling strategy for the prospect...DODH443 was the first diamond drill hole of the new programme and has provided immediate success.

Abundant pyrite mineralisation persists throughout the hole, including from 96m to the end of the hole at 179m, which is yet to be assayed. XRF analysis indicates some of these zone are likely to be cobaltiferous (cobalt is typically associated with pyrite at Rocklands).

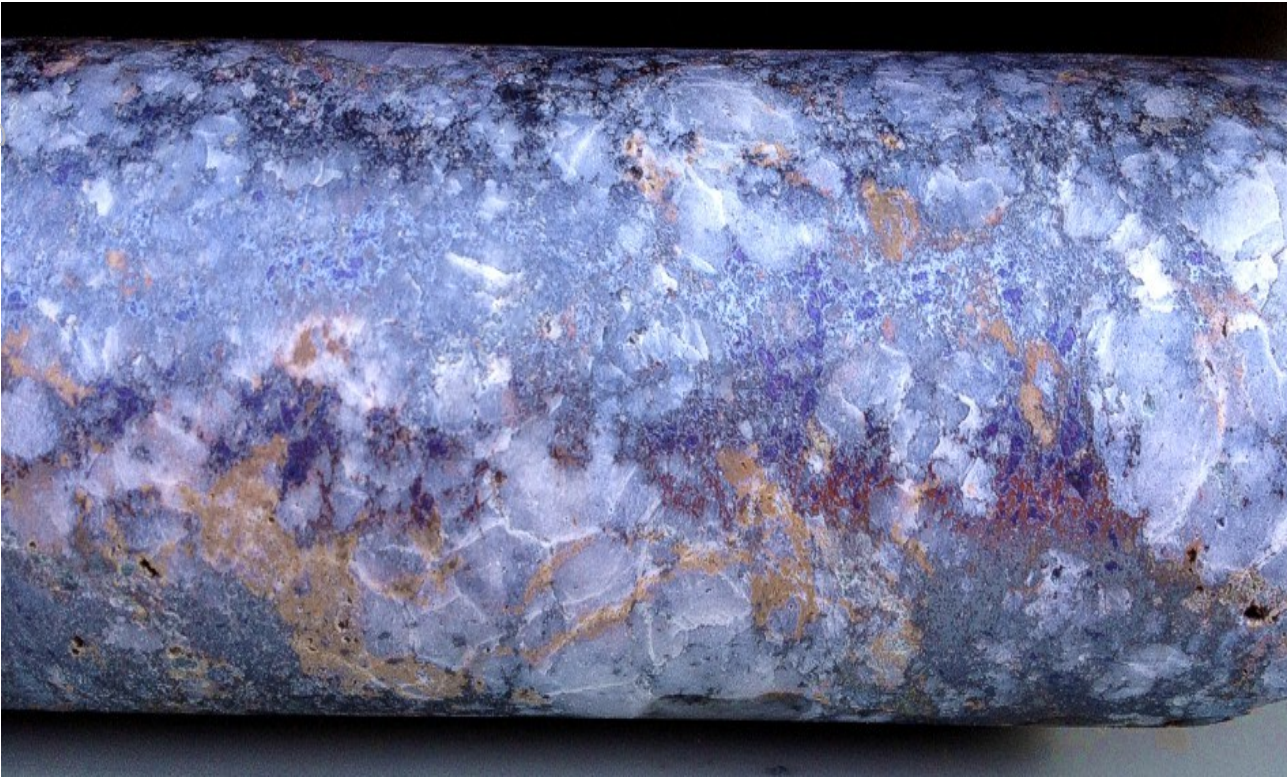


Figure 8: Example of high-grade drill core from approximately 78m in diamond drill core DODH443 at Fairfield. Semi-massive and stringer chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and abundant bornite (bornite contains 63.3% copper metal).

The Fairfield prospect has only seen sporadic exploration over the years, typically as drill rigs became available from higher-priority areas of the project. Previous exploration success has highlighted a zone of mineralisation of sufficient scale to warrant inclusion in the Rocklands Group Copper Project Resource Inventory, which is the motivation behind current drilling.

A resource estimate has not yet been prepared for Fairfield, which is planned to provide supplementary ore to the high-grade inventory planned to be processed at the Rocklands Group Copper Project.

Mineralisation

The Fairfield mineralised zone is an approximately east-west striking, steeply north-dipping, east-plunging body of semi-oxidised quartz breccia, host to massive and semi-massive chalcocite-chalcopyrite-pyrite-bornite mineralisation. Mineralisation is of the Rocklands Cu-Co-Au type, although the strike of mineralisation differs considerably from other Rocklands orebodies.

Regionally, Fairfield is located on a north-east limb of a north-west trending syncline (Las Minerale, the flagship orebody at Rocklands, is also on a north-east limb of a north-west trending anticline). Both occur in the overhang jaspilite, which is considered the favoured lithology for the discovery of significant copper mineralization in the Rocklands area.

Vuggy voids in the recovered drill core may have contained sooty chalcocite that has been washed away through diamond drilling.

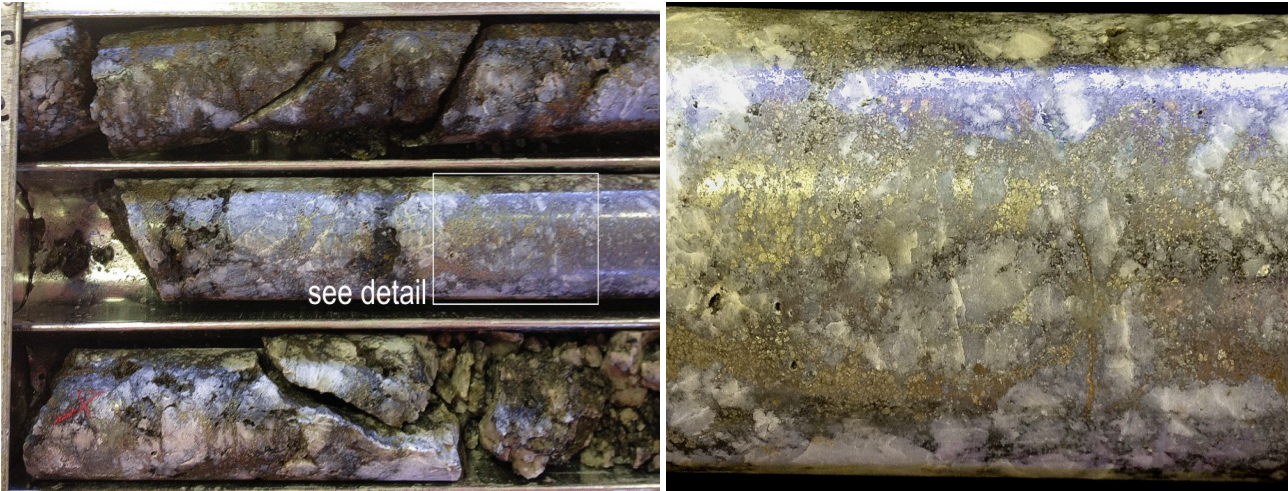


Figure 9: Example of high-grade drill core from approximately 79m in diamond drill core DODH443 at Fairfield. Massive and semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

Success with the first hole of this new programme (DODH443) is seen as an important development at Fairfield as it potentially opens a new east-plunging high-grade copper zone not identified in previous drilling.

In addition, the drill hole appears to have successfully tested;

- The existence of north-south running fault/shear zones that were predicted to strike parallel to the orientation of previous drilling, suggesting these faults may have previously been missed. Faulting is seen as a potentially important component of the deposition of mineralisation at Fairfield.

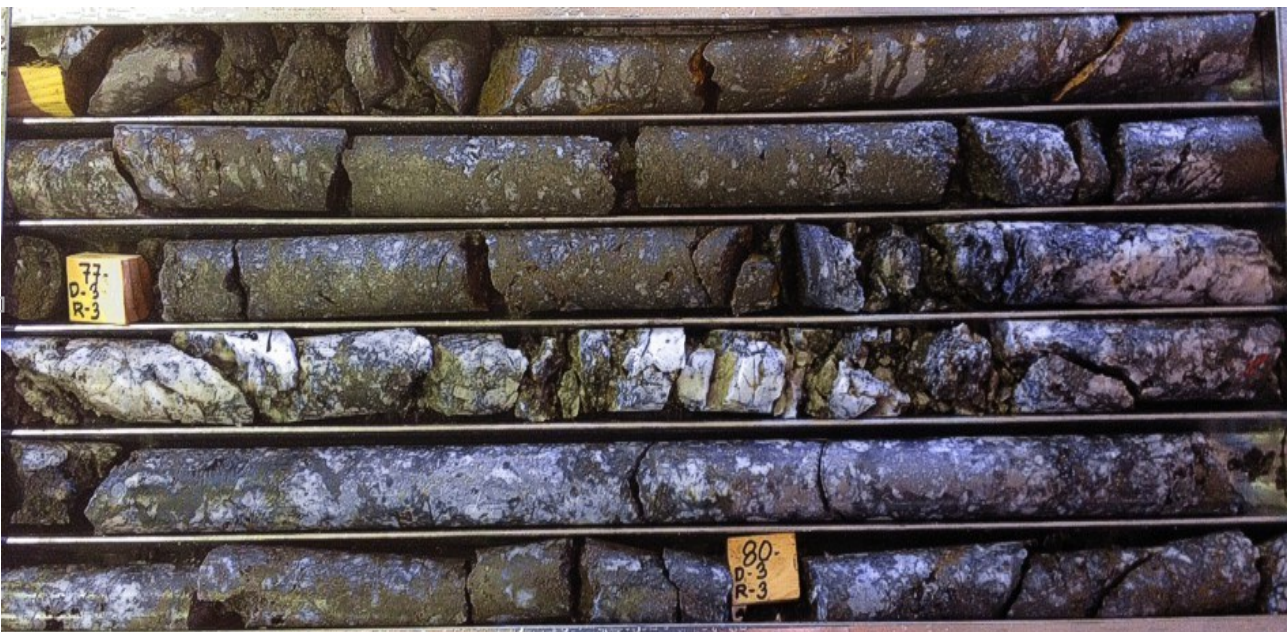


Figure 10: Example of high-grade drill core from approximately 75-80m, which assayed 5m @ 7.20% CuEq (5.07% Cu, 1750ppm Co, 0.68g/t Au), in diamond drill core DODH443 at Fairfield. Semi-massive and stringer chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

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- The existence of a an offset and widening of mineralisation, within an area previously thought to be an uninterrupted, relatively consistent east-west striking mineralised structure at Fairfield.
- The existence of high-grade mineralisation in a continuous east-plunging zone, previously thought to be characterised by separated, non-continuous zones of high-grade supergene enrichment (ie, chalcocite blankets)

History

Historic records reveal Fairfield produced 1118 tonnes of ore at an average grade of 6.50% Cu, from 1968-1972. Workings evident today include an open cut pit to a depth of approximately 15m with exposed copper oxide minerals (malachite, azurite) clearly evident on the pit walls. CuDeco has drilled several Diamond and Reverse Circulation (RC) drill holes beneath the old pit, based on surface mapping and interpretation of mineralisation observed from the pit walls, all of which have intersected high-grade mineralisation.

The Fairfield prospect is characterised by encouraging geophysical anomalies, such as SAM EQMMR (Conductivity) high and magnetic high anomalies. The SAM survey has proved extremely successful in application and exploration in other parts of the Rocklands Mining Lease, and has been instrumental in the extensional drilling of the Rocklands ore bodies.

Previous drilling results at Fairfield include;

DODH320		Width	Cu Eq	Cu (%)	Co ppm	Au g/t	From	To
Intersection	1	23m @	4.19%	1.50%	2270	0.22	48m	- 71m
<i>Including</i>		7m @	6.54%	4.32%	1840	0.58	61m	- 68m

DODH245		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	15m @	1.70%	0.87%	688	0.12	114m	- 129m
<i>Including</i>		7m @	3.10%	1.74%	1130	0.25	118m	- 125m

LMRC458		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	22m @	1.30%	0.76%	454	0.08	87m	- 109m
<i>Including</i>		5m @	3.78%	2.37%	1210	0.24	89m	- 94m

DORC330		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	10m @	3.91%	2.47%	1200	0.33	56m	- 66m
<i>Including</i>		6m @	5.41%	3.68%	1440	0.46	59m	- 65m

BP002		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	5m @	3.64%	2.76%	788	0.20	67m	- 72m

DODH242		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	10m @	3.08%	1.82%	1080	0.19	101m	- 111m
<i>Including</i>		3m @	7.01%	5.44%	1350	0.54	105m	- 108m

Cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste.

UPDATE - LAS MINERALE SHALLOW BEDROCK INFILL DRILLING PROGRAMME

NEW NATIVE COPPER DISCOVERY

**COARSE NATIVE COPPER INTERSECTED IN SEPARATE NEW ZONE
PREVIOUSLY UNIDENTIFIED 50m OFFSET TO LAS MINERALE**

AREA NOT INCLUDED IN CURRENT NATIVE COPPER RESOURCE INVENTORY



Figure 11: Native copper flattened by the bedrock drill, recovered from LMOX703, from 18-25m, in an area not previously identified to host native copper.

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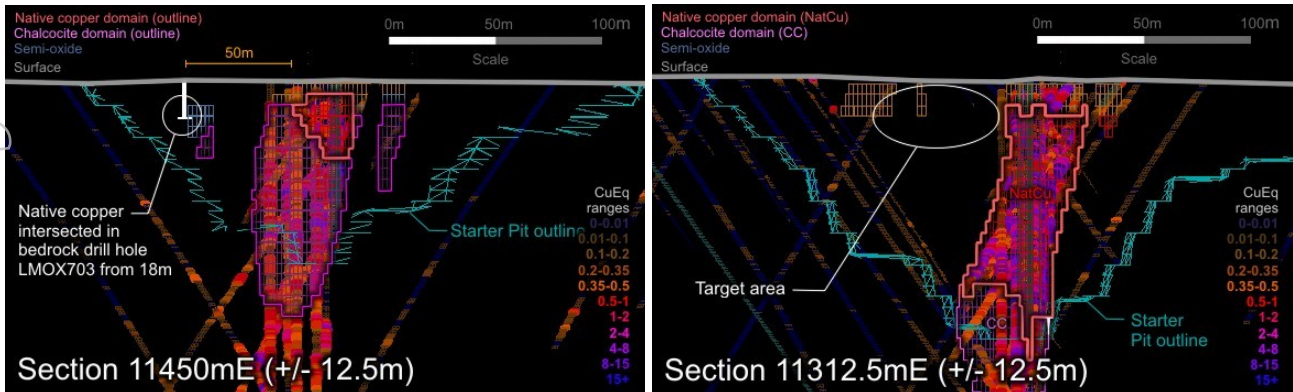


Figure 12: Sections showing location and depth of new native copper zone, that also correlates with chalcocite and semi-oxide domains at depth (left image) and similar location further along strike in a drilling void that will also be targeted. The zone is 50m away from the native copper domain in Las Minerale

Coarse Native Copper Intersected in Separate New Zone Previously Unidentified 50m Offset to Las Minerale

Coarse native copper has been intersected in bedrock drilling approximately 50m offset to the southern side of Las Minerale, during shallow infill bedrock drilling.

As announced earlier in the year (ASX announcement 9th February, 2012), significant zones of oxide mineralisation were identified in an area immediately adjacent to the Las Minerale orebody during excavation of a deep test costean.

The mineralised area is thought to be typical of zones that have been omitted from the resource estimate due to drilling “voids”, often immediately adjacent to the vertical orebody...see Figure 14.

The undrilled “void” in the oxide profile ranges from 10-50m in width and from surface to 35m depth, and occurs along the entire strike length of Las Minerale. Results of the bedrock programme will help identify areas to be included for future grade control drilling that will be undertaken during mining operations.



Figure 13: Native copper nugget cut with diamond saw, recovered at 5m depth from test costean excavated earlier in the year over Las Minerale. The area defined as the “native copper domain” within the current resource block model, did not identify native copper to be present at the depths being targeted in the deep costean.

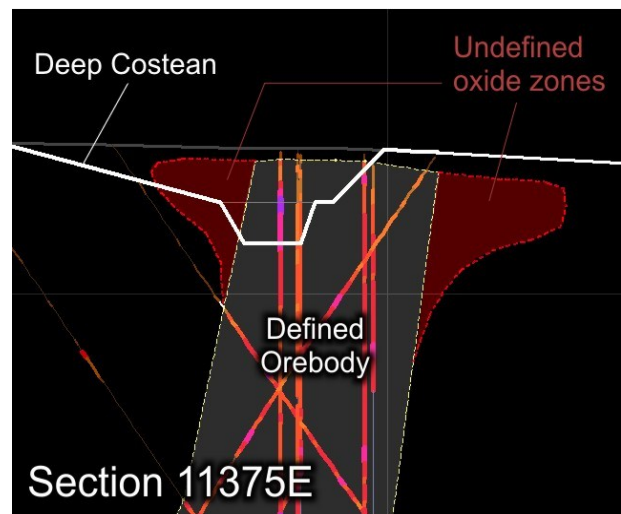


Figure 14: Oxide copper zone (red shaded area on left) identified adjacent to the Las Minerale orebody during excavation of deep costean. The red shaded areas adjacent to Las Minerale are speculated to exist and were the target of test costean and current infill bedrock drilling programme.

Deep Costean

In the deep test costean excavated earlier in the year, a number of heavily oxidised native copper nuggets (up to 80mm in size), were identified just 5m from surface.

For the most part, the native copper zone (as defined in the current resource estimate), commences approximately 15m from surface, with occasional shallow zones just 8-10m from surface. Coarse native copper however is typically identified as commencing from approximately 20-25m depth.

The area defined as the “native copper domain” within the current resource block model, did not identify native copper to be present at the shallow depths targeted in the deep costean over Las Minerale, nor at the location where native copper was intersected in the current bedrock infill drilling programme, suggesting the size of the current native copper domain may need to be expanded.

It has long been speculated that in some circumstances, large native copper nuggets may not have been

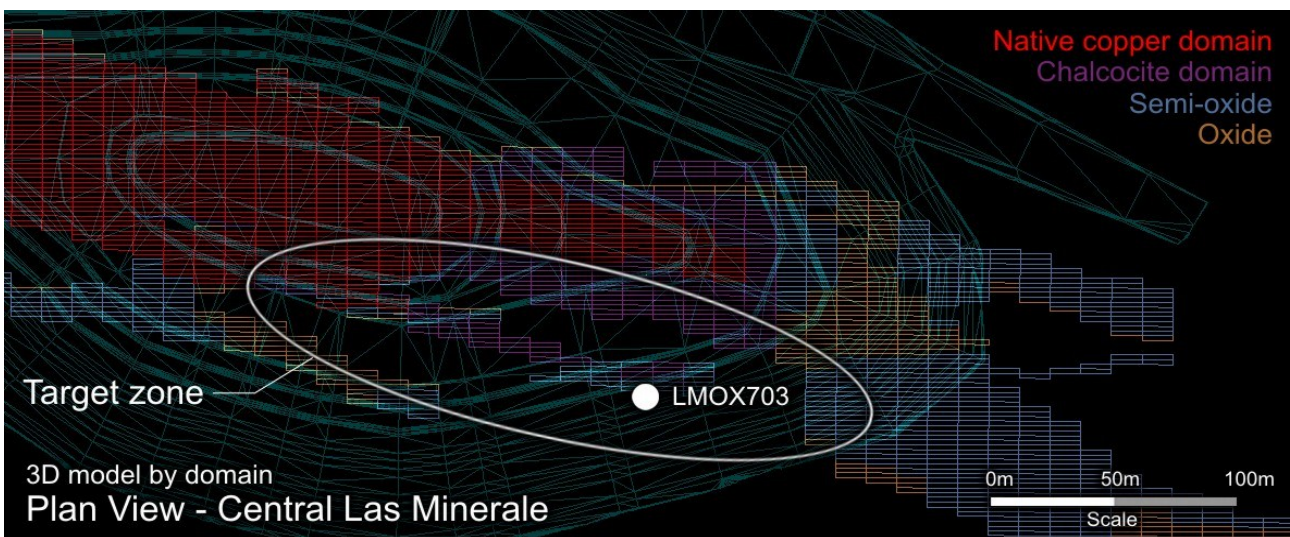


Figure 15: Plan view by ore type domain, showing location of bedrock drill hole LMOX703 that intersected native copper at 18m depth, some 50m offset to the native copper domain at Las Minerale.

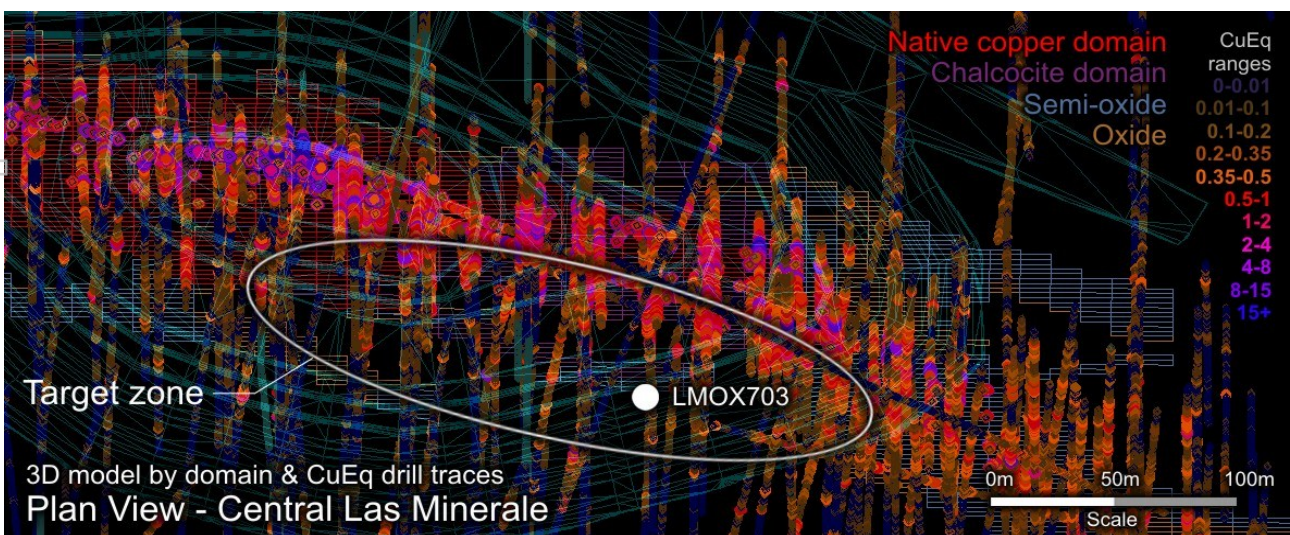


Figure 16: Plan view by ore type domain and CuEq drill trace, showing location of bedrock drill hole LMOX703 that intersected native copper at 18m depth, some 50m offset to the native copper domain at Las Minerale.



Figure 17: Example of large native copper nugget, possibly encountered in soft clay or friable oxide material and unable to return up the small (20mm) sample return holes at the end of the RC bit. Left; the remaining middle section appears to have been "stamped" out of a larger solid copper nugget that has been flattened, then cut through by the bit and right; underside of the copper "stamp" showing how the metal was pushed into the two 20mm sample return holes (top right & bottom left) and was unable to return to surface

efficiently recovered via Reverse Circulation (RC) drilling within the softer oxide zones, or in mineralised zones where clays or otherwise soft friable host material may have resulted in large solid copper nuggets being pushed into the surrounding soft host material.

RC samples must fit through a 20mm return hole at the end of the drill bit and whilst solid native copper appears to be easily shredded into small pieces in competent rock types, this does not always appear to be the case in softer host rock or clays...see Figure 17.

Native copper is often associated with clays at Rocklands.

The current bedrock drilling programme is being conducted with a Rotary Air Blast (RAB) rig, that returns sample material from



Figure 18: Native copper flattened by the bedrock drill, recovered from LMOX703, from 18-25m, in an area not previously identified to host native copper. Many of the pieces are larger than 20mm in size.

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the bottom of the hole to surface via the open drill holes under high air pressure, between the drill rod and the open hole, facilitating larger rock sizes in the sample returns than are possible during RC drilling.

Chalcocite Zone Identified in Deep Test Costean

In addition to native copper nuggets identified at just 5m depth, soft “sooty” chalcocite mineralisation was also identified throughout the entire oxide zone below 3m in the test costean, and was far more widespread than anticipated, particularly from 5m to the maximum depth of the costean at 12m. Assays for copper in these areas was previously thought to be mostly attributable to traditional oxide copper-ores.

Copper is more easily recovered from chalcocite ore than it is from traditional oxide ores (malachite/azurite), so the identification of more than anticipated chalcocite within the oxide zone may well result in an upgrade of overall copper recoveries from these zones.

The extent of the chalcocite zone, as defined in the current resource estimate, may also need to be expanded and this is also a focus of the current bedrock infill programme.

It has previously been speculated that soft “sooty” chalcocite, especially within the oxide zones, may have been partially lost to the drilling “muds” returning to the surface sumps during diamond drilling operations. It is anticipated that the current infill bedrock drilling programme may also recover most of the soft “sooty” chalcocite present in the shallow oxide profile, and potentially missed from previous diamond drilling programmes.

Yours faithfully



Wayne McCrae
 Chairman

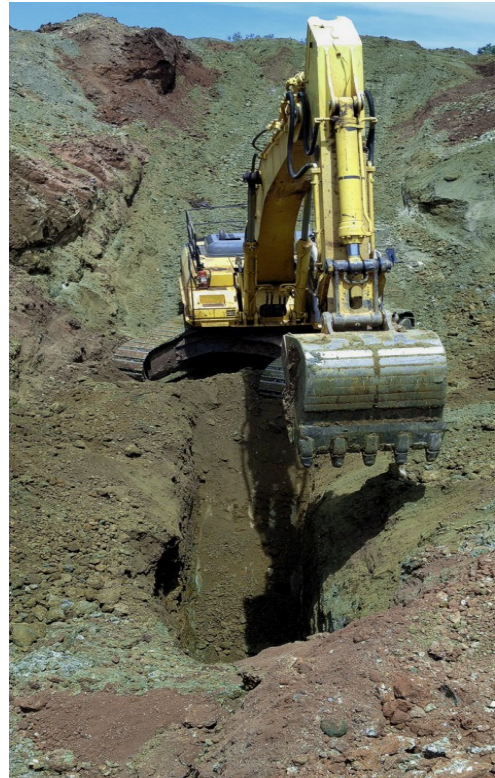


Figure 19: The green-grey/olive coloured high-grade copper-rich ore is easily identified against the red-coloured, iron-rich gangue (waste) material.



Figure 20: The green-grey/olive coloured high-grade copper-rich ore is easily identified against the red-coloured, iron-rich gangue (waste) material left on surface after completion of the bedrock holes.

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Colour Ranges for Copper Equivalent (CuEq) values, used in the following Assay Results Tables;

CuEq	From	To
	0	<0.1
	0.1	<0.2
	0.2	<1
	1	<2
	2+	

Note: CuEq in %

Assay Results Legend

- "nn" Negatives values indicated result below lower detection limit ("nn" = lower detection limit)
- LNR Lab Not Receive (ie, sample not received at Assay Lab)
- I/S Insufficient Sample available to obtain result
- DIP sample Destroyed In Preparation
- X result below detection
- sample not assayed
- n/a Not yet available

Detailed assay results for DODH443

12MI2061	Co	Cu	Au	
METHOD	ICP22D	ICP22D		
LDETECTION	1	0.01	0.01	
UDETECTION	10000	5	1000	
UNITS	PPM	%	PPM	
DODH443 051	130	0.00	-0.01	0.15
DODH443 052	130	0.01	-0.01	0.15
DODH443 053	66	0.00	-0.01	0.08
DODH443 054	140	0.01	-0.01	0.17
DODH443 055	290	0.01	-0.01	0.34
DODH443 056	300	0.00	-0.01	0.35
DODH443 057	330	0.00	0.01	0.39
DODH443 058	270	0.00	0.01	0.32
DODH443 059	360	0.00	0.04	0.44
DODH443 060	185	0.00	-0.01	0.21
DODH443 061	290	0.00	0.01	0.35
DODH443 062	550	0.00	0.01	0.65
DODH443 063	340	0.00	-0.01	0.39
DODH443 064	250	0.00	0.02	0.30
DODH443 065	240	0.00	-0.01	0.28
DODH443 066	350	0.00	0.01	0.42
DODH443 067	48	0.00	-0.01	0.05
DODH443 068	165	0.00	-0.01	0.19
DODH443 069	88	0.00	-0.01	0.10
DODH443 070	170	0.00	-0.01	0.20
DODH443 071	210	0.01	0.01	0.26
DODH443 072	550	4.93	0.33	5.49
DODH443 073	1950	3.42	0.43	5.74

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12MI2061				
	Co	Cu	Au	
METHOD	ICP22D	ICP22D		
LDETECTION	1	0.01	0.01	
UDETECTION	10000	5	1000	
UNITS	PPM	%	PPM	
			Cu Equiv	
			%	
DODH443 074	3500	1.99	0.12	6.05
DODH443 075	2300	4.26	0.32	6.89
DODH443 076	2050	2.84	0.33	5.26
DODH443 077	2650	3.89	0.51	7.05
DODH443 078	1650	4.52	0.54	6.49
DODH443 079	600	3.01	0.62	3.87
DODH443 080	1800	11.10	1.40	13.34
DODH443 081	1650	4.81	3.40	8.17
DODH443 082	1100	1.50	0.15	2.79
DODH443 083	1500	1.34	0.16	3.11
DODH443 084	800	1.90	0.21	2.84
DODH443 085	1850	1.25	0.15	3.43
DODH443 086	1550	6.04	0.51	7.81
DODH443 087	1700	2.19	0.22	4.18
DODH443 088	210	1.17	0.06	1.38
DODH443 089	330	1.37	0.15	1.76
DODH443 090	135	0.57	0.05	0.72
DODH443 091	190	0.50	0.09	0.74
DODH443 092	270	0.60	0.08	0.92
DODH443 093	52	0.14	0.01	0.19
DODH443 094	36	0.05	-0.01	0.08
DODH443 095	56	0.08	0.01	0.14
DODH443 096	49	0.61	0.03	0.65

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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 mineralisation 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 consents 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 are 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

Dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.

Notes on Assay Results

All analyses are carried out at internationally recognised, 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. Reported intersections are down-hole widths.

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

Copper Equivalent (CuEq) Calculation

The formula for calculation of copper equivalent is based on the following metal prices and metallurgical recoveries:

Copper: \$2.00 US\$/lb; Recovery: 95.00%

Cobalt: \$26.00 US\$/lb; Recovery: 90.00%

Gold: \$900.00 US\$/troy ounce Recovery: 75.00%

$$\text{CuEq} = \text{Cu}(\%) \times 0.95 + \text{Co}(\text{ppm}) \times 0.00117 + \text{Au}(\text{ppm}) \times 0.49219$$

In order to be consistent with previous reporting, the drill intersections reported above have been calculated on the basis of copper cut-off grade of 0.2% Cu, or a copper equivalent grade of 0.35%, with an allowance of up to 4m of internal waste.

The recoveries used in the calculations are the average achieved to date in the metallurgical test-work 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.

Disclaimer and Forward-looking Statements

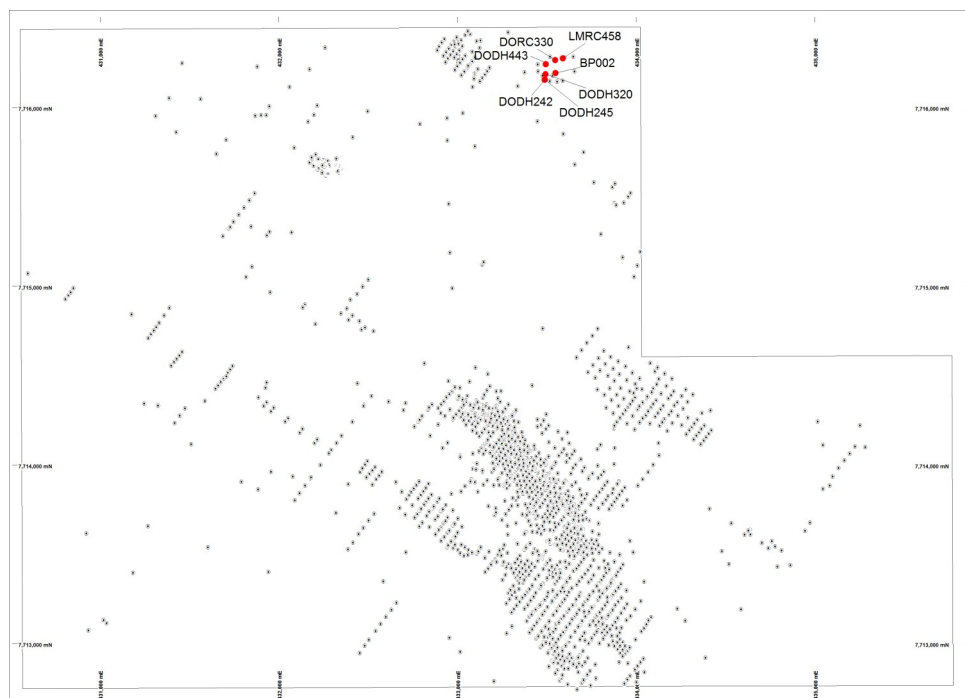
This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

Hole Location Table

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
LMRC703	433534	7713754	219	000	-90	25.2
BP002	433549.1	7716193.8	221.7	345	-55	72
DORC330	433547.6	7716265.7	220.9	180	-55	154
LMRC458	433590.7	7716276.9	219.8	210	-55	124
DODH242	433489.6	7716157.8	220.7	030	-32	181.6
DODH245	433489.1	7716156.3	219.4	030	-40	200.2
DODH320	433493.5	7716187.8	219.4	030	-45	125.5
DODH443	433616	7716416	219	090	-50	179

Datum: AGD66 Project: UTM54 surveyed with Differential GPS (1 decimal place, 10cm accuracy) and/or handheld GPS (no decimal places, 4m accuracy).

Hole Location Plan



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