

**MARKET RELEASE**

**11<sup>th</sup> September 2012**

**ROCKLANDS COPPER PROJECT (CDU 100%)**

**DEVELOPMENT UPDATE**

**ROCKLANDS GROUP COPPER PROJECT - PICTORIAL UPDATE 5**

**FIRST BLAST (SHOT) COMPLETED**

Development of the Rocklands Group Copper Project, located just outside the major regional township of Cloncurry in Queensland, Australia, took a major leap forward today with the Project's first shot successfully completed yesterday.

This event has been long anticipated by all on site who have worked tirelessly on the project through the good times and the tough times, and by the many shareholders who have shared the journey with us. It is an unambiguously significant milestone in what has been a significant journey since the first discovery hole back in 2006.

After a 22 year absence of mining, the Rocklands area is once again the focus of mining activity...but now it's CuDeco's turn!



*Figure 1: First "shot" of the project...an event long anticipated by all on site who have worked tirelessly on the project through the good times and the tough times, and by the many shareholders who have shared the journey with us. It is an unambiguously significant milestone, and has been a significant journey since the first discovery hole back in 2006.*

Unit 34, Brickworks Annex, 19 Brolga Avenue, SOUTHPORT 4215

Phone: +617 5503 1955 Facsimile: +617 5503 0288



Figure 2: Charging Blast Holes with bulk explosives and Priming.

Historic records suggest the first economic mining activity at the Rocklands Project site took place in the early 1900's, with several high-grade, but small scale mining operations by small-time operators known as "gougers". In later years, one of the highest-grade operations was the Double Oxide Prospect (now Rocklands South Orebody), which ceased operations in 1990. Approximately 390 tonnes of native copper metal was extracted from just 890 tonnes of ore (average grade of 44% Cu).

A number of other deposits within the Rocklands Mining Lease also produced high grade copper, including Rainden where copper ore was produced at an average grade of 30%, and at Fairfield, where 1118 tonnes of ore was produced at an average grade of 6.50% Cu, between 1968-1972.

It has been a long and winding road from the first discovery hole drilled into the world-class Las Minerale deposit in late 2006 and the subsequent delineation of a global resource with over 3.7 billion pounds of copper equivalent metal (1.68 million tonnes).



Figure 3: Charging Blast Holes with bulk explosives and Priming.

The Company's single focus now is to get into production as fast as possible, based on an initial 10 year mining plan targeting the following resource;

Measured & Indicated resource  
**30.3Mt @ 1.70% CuEq**  
 (using 0.8% CuCoAu cut-off)

This initial resource supports the business case that forms the basis for the Company's Environmental Impact Statement (EIS), however shareholders need to recognise it is just part of a larger resource inventory of over 3.7 billion pounds of copper equivalent metal (1.68 million tonnes), contained within a much larger resource of;

Measured, Indicated & Inferred resource  
**272.9Mt @ 0.62% CuEq**  
 (using 0.20% CuCoAu cut-off)

Whilst the current focus is on a ten-year mining plan, the larger resource demonstrates potential for an up-scaling of the project should future expansion be considered, subject to all relevant regulatory approvals being obtained.

Future copper prices and projected mining costs will dictate feasibility studies in this regard, however due to the extensive drill data-base and comprehensive geological model compiled for the project, significant flexibility exists to adjust cut-off levels when and as required to meet prevailing economic conditions.

By way of example, using a 0.4% CuCoAu cut-off, results in the following resource;

Measured & Indicated resource  
**97.9Mt @ 0.96% CuEq**  
 (using 0.40% CuCoAu cut-off)

Our first priority however is to generate early cash-flow based on an initial 10-year mining operation, at a process rate of 3 million tonnes per annum.

Yours faithfully



Wayne McCrae  
 Chairman

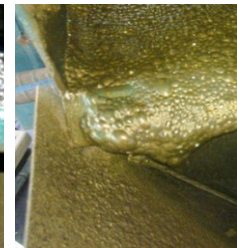
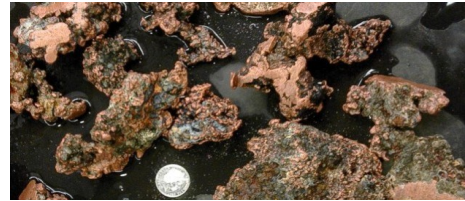


Figure 4: Various products from bulk-sample test-work (from top to bottom & left to right); large native copper nuggets (+40mm); smaller native copper nuggets (+4mm-40mm); light-grey flotation froth (primary circuit - chalcocite); yellow flotation froth (primary circuit - chalcopyrite); chalcopyrite/cobaltic pyrite concentrate and; magnetite separation of magnetite.

### Resource Statement reported according to JORC guidelines

The resources for the Rocklands area at May 2011 have been estimated and are tabulated below at various cut-off grades. The tables need to be read in conjunction with the "Notes to the Resource Estimate" (see page 5).

<b>Table 16 Measured Resource Estimate May 2011 at various cut-off grades</b>										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
<b>CuCoAu</b>		Cu	Co	Au	Mag	CuCoAu	<b>CuEq</b>	Cu	CuCoAu	<b>CuEq</b>
%	<b>Mt</b>	%	ppm	ppm	%	%	%	Mlb	Mlb	<b>Mlb</b>
<b>0.2</b>	<b>47.2</b>	0.41	353	0.1	2.94	0.89	<b>1.00</b>	425	929	<b>1,037</b>
<b>0.4</b>	<b>34.6</b>	0.54	407	0.11	2.97	1.1	<b>1.20</b>	410	838	<b>918</b>
<b>0.8</b>	<b>13.8</b>	1.10	597	0.19	3.53	1.93	<b>2.06</b>	335	589	<b>628</b>
<b>Table 17 Indicated Resource Estimate May 2011 at various cut-off grades</b>										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
<b>CuCoAu</b>		Cu	Co	Au	Mag	CuCoAu	<b>CuEq</b>	Cu	CuCoAu	<b>CuEq</b>
%	<b>Mt</b>	%	ppm	ppm	%	%	%	Mlb	Mlb	<b>Mlb</b>
<b>0.2</b>	<b>121.9</b>	0.19	241	0.08	3.10	0.53	<b>0.64</b>	505	1417	<b>1712</b>
<b>0.4</b>	<b>63.3</b>	0.32	291	0.11	2.74	0.74	<b>0.83</b>	448	1026	<b>1161</b>
<b>0.8</b>	<b>16.4</b>	0.81	367	0.19	1.32	1.36	<b>1.40</b>	293	491	<b>508</b>
<b>Table 18 Total Measured and Indicated Resource Estimate May 2011 at various cut-off grades</b>										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
<b>CuCoAu</b>		Cu	Co	Au	Mag	CuCoAu	<b>CuEq</b>	Cu	CuCoAu	<b>CuEq</b>
%	<b>Mt</b>	%	ppm	ppm	%	%	%	Mlb	Mlb	<b>Mlb</b>
<b>0.2</b>	<b>169.2</b>	0.25	273	0.09	3.05	0.63	<b>0.74</b>	930	2347	<b>2750</b>
<b>0.4</b>	<b>97.9</b>	0.40	332	0.11	2.82	0.86	<b>0.96</b>	858	1864	<b>2080</b>
<b>0.8</b>	<b>30.3</b>	0.94	472	0.19	2.34	1.62	<b>1.70</b>	627	1081	<b>1136</b>
<b>Table 19 Inferred Resource Estimate May 2011 at various cut-off grades</b>										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
<b>CuCoAu</b>		Cu	Co	Au	Mag	CuCoAu	<b>CuEq</b>	Cu	CuCoAu	<b>CuEq</b>
%	<b>Mt</b>	%	ppm	ppm	%	%	%	Mlb	Mlb	<b>Mlb</b>
<b>0.2</b>	<b>103.7</b>	0.06	167	0.1	2.87	0.32	<b>0.42</b>	134	724	<b>957</b>
<b>0.4</b>	<b>20.6</b>	0.17	269	0.08	2.11	0.55	<b>0.62</b>	78	248	<b>282</b>
<b>0.8</b>	<b>1.1</b>	0.80	281	0.13	1.06	1.22	<b>1.25</b>	19	29	<b>29</b>
<b>Table 20 Total Measured Indicated and Inferred Resource Estimate May 2011 at various cut-off grades</b>										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
<b>CuCoAu</b>		Cu	Co	Au	Mag	CuCoAu	<b>CuEq</b>	Cu	CuCoAu	<b>CuEq</b>
%	<b>Mt</b>	%	ppm	ppm	%	%	%	Mlb	Mlb	<b>Mlb</b>
<b>0.2</b>	<b>272.9</b>	0.18	233	0.09	2.98	0.51	<b>0.62</b>	1064	3070	<b>3704</b>
<b>0.4</b>	<b>118.5</b>	0.36	321	0.11	2.70	0.81	<b>0.90</b>	935	2112	<b>2361</b>
<b>0.8</b>	<b>31.4</b>	0.94	465	0.19	2.29	1.61	<b>1.69</b>	646	1109	<b>1165</b>

### **Notes to the Resource Estimate:**

- The Rocklands tenements are owned 100% by CuDeco Limited (ASX:CDU).
- The mineral resource estimate is based on all 3,793 drill holes (306,671.2m) including 305 diamond drill holes (69,521.0m) and 1,458 RC drillholes (225,207.5m).
- MA conducted a review of the data and sample collection of the historic drilling.
- MA has reviewed the EAM Procedures and visited site on 4 occasions during the course of the current Drill Programme.
- The geological resource is constrained by domains consisting of 3D models. The mineralised domains were digitised on cross sections defining boundaries for High-grade Cu as >0.5%Cu, Low-grade Cu as >0.1% Cu and Cobalt as >100ppm Co. The domains are nested. There are a total of 36 currently defined domains.
- Drill intercepts within each lode are flagged in a database table and composited for each assay element separately to 2m downhole giving 39,157 informing two metre composites for Cu in the domained areas and 20,780 in the undomained from drillholes.
- A grade cap was applied to informing composites to remove outliers. Cu grades were capped at 23%, Co grades at 5,000ppm, Au grades at 10ppm and Magnetite% at 44%.
- Density was determined on 3,002 samples throughout the ore body using the immersion method. Bulk density is related to the oxidation state of the rock and extent of mineralisation. The geologists have logged three oxidation states between totally oxidised to un-oxidised fresh rock. The oxidation states of each block were defined by wireframes based on sectional interpretation. Density was assigned based on the weathering profile and copper and magnetite grades.
- Block model parent block size selection of XYZ 50 x 8x 20m was chosen. The estimation block size was varied by resource category down to the sub-block size of 12.5 m (E) by 2 m (N) by 5 m (RL) was used against all wireframes for volumes. The model was screened for topography by block.
- Grade was interpolated into a constrained block model in 3D space by domain using Ordinary Kriging estimation with parameters based on directional variography by domain. Estimates were validated against informing samples and with nearest neighbour and inverse distance squared. The block model was also checked against recent CuDeco Drilling.
- Informing samples were composited to 2 m within domains and 10 m in undomained areas. A minimum of 10 composites for both a maximum of 20 samples for domained and 10 samples for undomained.
- Resources have been classified as Measured, Indicated and Inferred for the domained areas based on the number of informing samples, average distance and the kriging variance for each block. All undomained blocks are classed as Inferred.
- Lower cutoff grade of 0.2% CuCoAu and only blocks above -250m RL were applied to blocks in reporting the resource estimates in a range of cut-off grades. Magnetite has not been included in the cut-off grade as it is not directly related to the mineralisation, but will be produced as a by-product so is included in the final Block Model report and estimates.
- Lower cutoff grade of 0.2% Cu and only blocks above -250m RL were applied to blocks in reporting the resource estimates in a range of cut-off grades.
- Copper equivalents have been calculated assuming average metal prices and recoveries. A copper price of USD2/lb and recovery of 95%; a cobalt price of USD26/lb and recovery of 90%; a gold price of USD900/oz and recovery of 75% and a magnetite price of \$US185/t. The CuCoAu for selection of cut-off grades does not include the magnetite, but it is included for calculation of final metal equivalents, as follows. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.  

$$\text{CuCoAu\%} = \text{cu\_perc\_krig} + \text{co\_ppm\_krig} * 0.001232 + \text{au\_ppm\_krig} * 0.518238$$

$$\text{CuEqu\%} = \text{cu\_perc\_krig} + \text{co\_ppm\_krig} * 0.001232 + \text{au\_ppm\_krig} * 0.518238 + \text{mag\_perc} * 0.035342$$

It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.
- Reported Tonnage and grade figures have been rounded off to the appropriate number of significant figures to reflect the order of accuracy of an inferred estimate. Minor variations may occur during the addition of rounded numbers.

## **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 Ore Reserves". Mr Day consents to the inclusion in this report of the information in the form and context in which it appears.

### **Rocklands Resource**

References to the Rocklands Resource, and/or Rocklands Resource Estimate, have been sourced from the Company's Resource Estimate Report 2011 released via the ASX on the 25<sup>th</sup> May 2011 which is based on work undertaken by Mr Andrew J. Vigar, who is an employee of Mining Associates Pty and a Fellow of The Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the JORC Code, Mr Vigar included with that Report a Written Consent Statement verifying that the Report fairly and accurately reflected the information in the supporting documentation relating to Mineral Resources. A detailed description of the resource estimation methodology is included in the above mentioned Report, completed by Mining Associates Pty. Ltd. and released to ASX on 25th May 2011.

### **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.

### **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.