

ROCKLANDS COPPER PROJECT (CDU 100%)

HIGHLIGHTS

HIGHLIGHTS POST-QUARTER END

- Queensland State Government gives green light to uranium mining
- The Fairfield Prospect upgraded to “significant project status” following drilling success during the quarter, with the view to defining sufficient resources to provide supplementary ore to the high-grade inventory planned to be processed at the Rocklands Group Copper Project
- A significant geophysics programme commenced over numerous locations of the Rocklands Project ML90177 and the Company’s new EPM18054. Sub Audio Magnetics (SAM) has been an invaluable exploration tool with an amazing success rate for identifying mineralisation at Rocklands
- Earthworks near the Rocklands Site Office uncovers 15m wide zone of surface copper mineralisation including visible chalcocite, chalcopyrite, bornite, fine-grain native copper and the copper oxide minerals malachite and azurite, in an area previously unexplored between the Fairfield and Solsbury Hill prospects, in the north of the Company’s ML90177
- CuDeco Limited enters discussions in respect of a major placement of shares in the Company, with investors located in the USA, China and the United Kingdom

QUARTER HIGHLIGHTS

DEVELOPMENT

- Development of the Rocklands Group Copper Project, located just outside the major regional township of Cloncurry in Queensland, Australia, took a major leap forward with the Project’s first shot successfully completed
- 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 (MMG)
- Rocklands Mineral Process Plant componentry on-track for early completion - preliminary inspections conducted in China during the quarter
- CuDeco signs formal Lease and Executes option with the Port of Townsville for a Receiving, Storage and Export Facility

- Infrastructure Works on time under budget
- Key areas under development during the Quarter include;
 1. *Las Minerale, Rocklands South and Rocklands South Extension starter-pits*
 2. *Las Minerale and Rocklands South surface bedrock drilling and sampling programme*
 3. *Morris Creek Diversion Channel, Key-way and Dam Walls*
 4. *Infrastructure Corridor haul roads and Tailings Storage Facility (TSF)*
 5. *Water Storage Facility (WSF)*
 6. *Major Access Roads*
 7. *Process Plant design and Site Preparation*
 8. *Multi-user Rail Load-out Facility*

EXPLORATION

- New native copper discovery - coarse native copper intersected in separate new zone previously unidentified 50m offset to Las Minerale
- Fairfield drilling programme recommences with immediate success. Massive and semi-massive chalcocite (high-grade copper mineral) intersected over wide zones returning high-grade copper results

CORPORATE

- CuDeco hosts Community Information Night in Cloncurry - high level of support
- The Company's 2012 Annual Report is available for online viewing



Figure 1: Dump trucks traverse the Water Storage Facility (WSF) via temporary freeways on their way too and from various areas of the project.

HIGHLIGHTS POST-QUARTER END

Queensland State Government Gives Green Light to Uranium Mining

The Company welcomes news the Queensland Government has announced its intention to lift the current ban on uranium mining in the State of Queensland.

The Company has identified numerous areas where elevated radiometric signatures exist across the Rocklands ML90177, based on airborne radiometric surveys and the results of surface geochemical sampling.

Two particular prospects considered to be prospective for uranium are; Wilgar Polymetallic Prospect where high-grade gold, silver, tellurium, molybdenum and uranium has been intersected in previous bedrock, RC and diamond drilling and; the South-west Radiometric Anomaly, where a large radiometric anomaly has been identified with coincident elevated surface geochemistry profiles that include copper, cobalt, zinc, lead, molybdenum and uranium.



Figure 2: Pitchblende (uranium mineral), in diamond drill hole WUDH002.

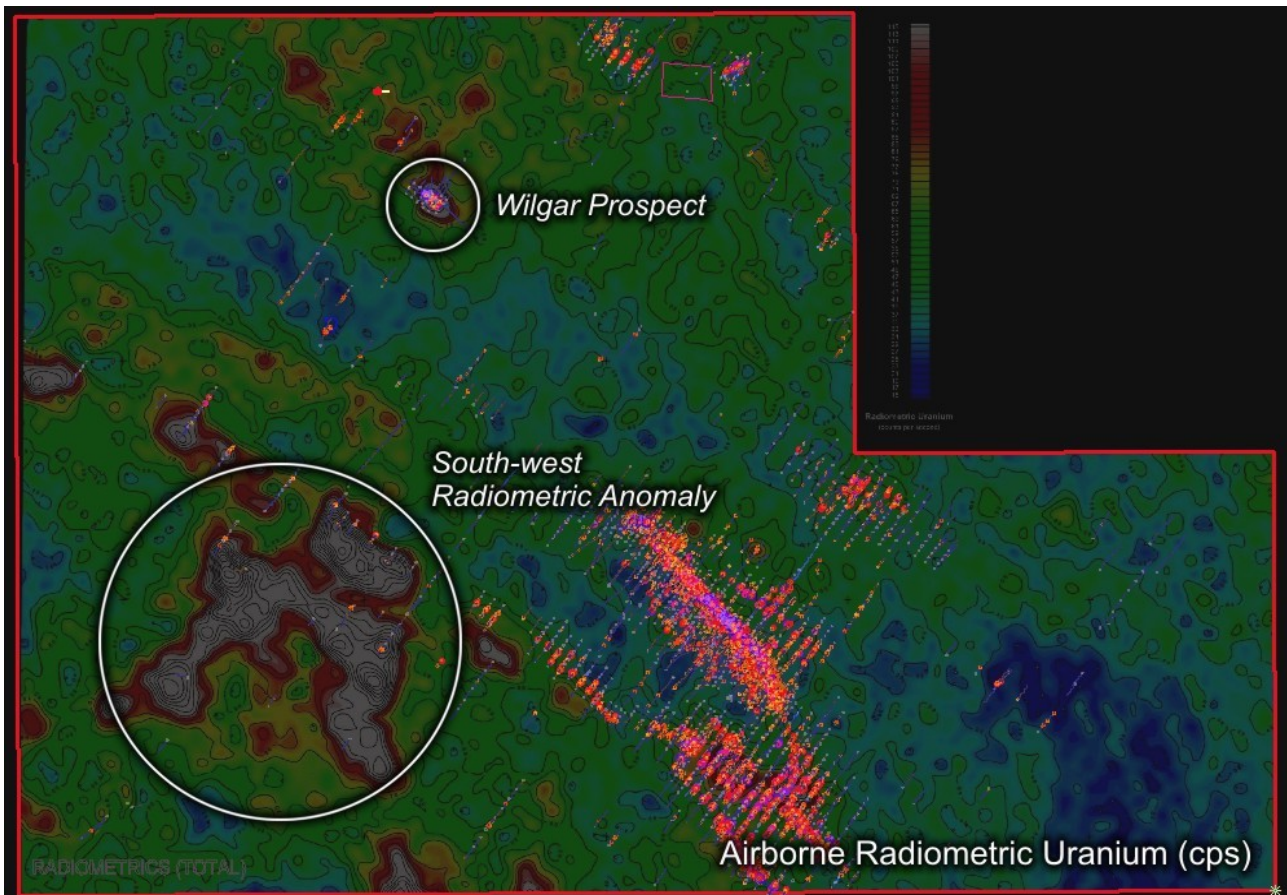


Figure 3: Airborne Radiometric Uranium Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.

The Fairfield Prospect upgraded to “significant project status” following drilling success during the quarter, with the view to defining sufficient resources to provide supplementary ore to the high-grade inventory planned to be processed at the Rocklands Group Copper Project.

Fairfield is located in the north-west of the Company’s mining lease (ML90177) approximately 2.5km from the flagship Las Minerale ore body and will possibly add to high-grade inventory to be processed through the Rocklands Processing Plant. Upgrading the project status means assets will now be allocated to accelerate exploration and delineation of the mineralised zone, including a dedicated drill rig over the coming months, with the view to obtaining sufficient information to support a resource estimate to at least indicated category as soon as possible.

See Page 31 of this report for further details on developments at the Fairfield Prospect.

Details of results released subsequent to quarter-end include;

DODH445		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	21m	@ 2.43%	1.60%	696	0.20	73m	- 94m
<i>including</i>		11m	@ 4.11%	2.67%	1200	0.35	74m	- 85m

DODH446		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	21m	@ 4.41%	3.09%	1160	0.26	66m	- 87m
<i>including</i>		17m	@ 5.28%	3.71%	1370	0.31	67m	- 84m
<i>including</i>		10m	@ 7.24%	4.98%	1980	0.39	67m	- 77m

DODH447		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	30m	@ 3.40%	2.65%	650	0.24	73m	- 103m
<i>including</i>		15m	@ 6.26%	4.95%	1210	0.43	77m	- 92m
<i>including</i>		10m	@ 8.19%	6.47%	1520	0.53	77m	- 87m
<i>including</i>		7m	@ 9.71%	8.07%	1460	0.68	80m	- 87m

DODH448		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	19m	@ 2.32%	1.49%	776	<i>pending</i>	79m	- 98m
<i>including</i>		6m	@ 5.21%	4.00%	1200	<i>pending</i>	82m	- 88m
<i>including</i>		3m	@ 7.98%	6.86%	1250	<i>pending</i>	82m	- 85m

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.



Figure 4: Example of high-grade drill core intersected in DODDH448 at Fairfield at approximately 83.2m which assayed 7.95% CuEq over 1m. Massive and semi-massive chalcopyrite and pyrite and minor chalcocite and bornite. Chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal, bornite contains 63.3% copper metal. Cobalt is associated with pyrite at Fairfield.

A significant geophysics programme commenced over numerous locations of the Rocklands Project ML90177 and the Company's new EPM18054. Sub Audio Magnetics (SAM) has been an invaluable exploration tool with an amazing success rate for identifying mineralisation at Rocklands.

A significant geophysics programme is currently underway over numerous locations at the Rocklands Project ML90177 and the Company's new EPM18054. Sub Audio Magnetics (SAM) has been an invaluable exploration tool with an amazing success rate for identifying mineralisation at Rocklands.

Several programmes are planned for the new SAM Geophysics Survey;

- Entire coverage of EPM18054 (SAM and TMI/TFMMR (galvanic))
- High-resolution coverage of the area immediately surrounding Wilgar (SAM and TMI/TFMMR (galvanic))
- High-resolution coverage of the area immediately surrounding Fairfield (SAM and TMI/TFMMR (galvanic))
- Re-processing of existing and new data to generate 3D inversion models

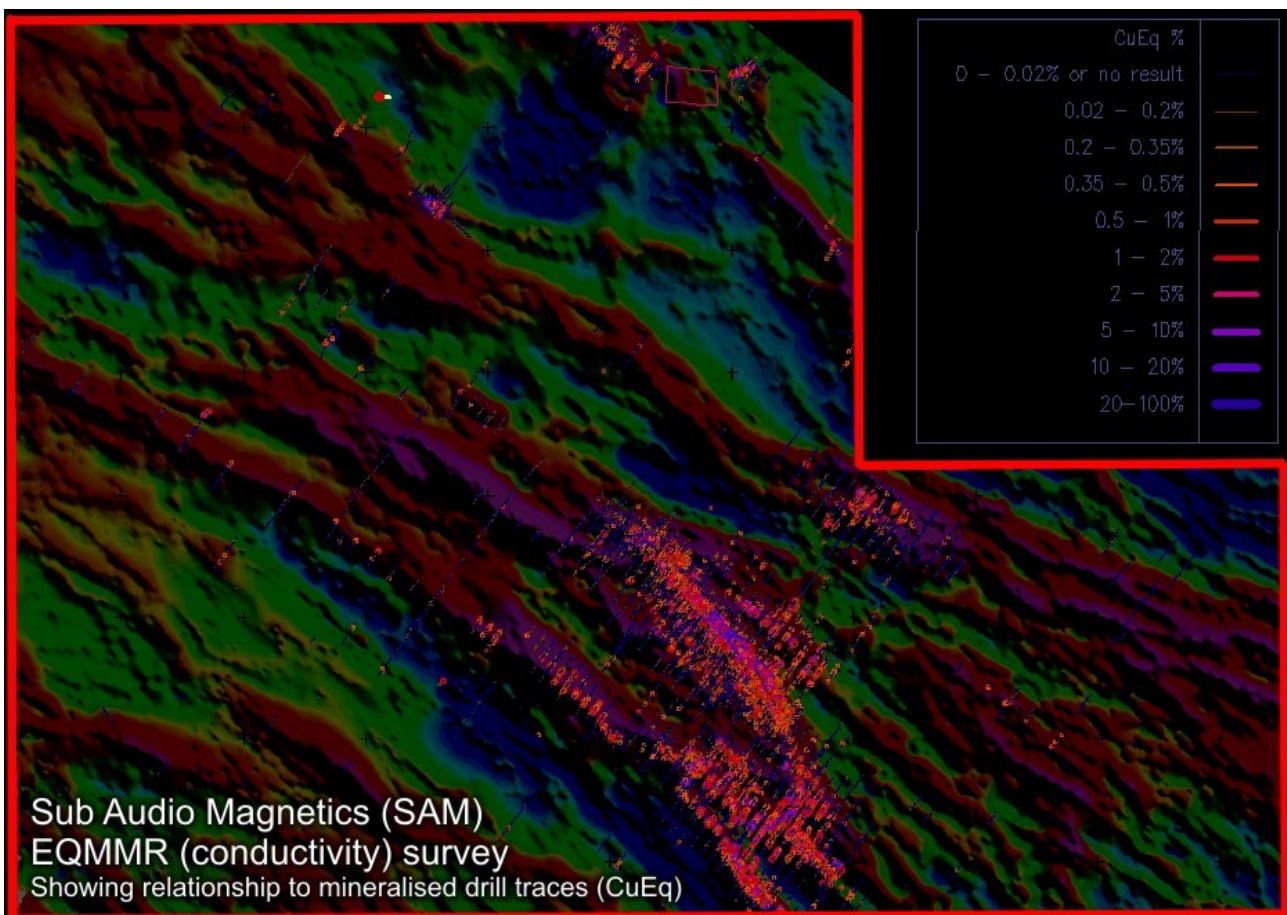


Figure 5: Sub Audio Magnetics (SAM) EQMMR (conductivity) survey with mineralised drill traces shown over. There exists a very strong correlation between conductivity-highs and copper-cobalt mineralisation within the overhang jaspilite unit at Rocklands, with close to every conductivity-high tested to date revealing elevated copper and/or cobalt mineralisation.

Earthworks near the Rocklands Site Office uncovers 15m wide zone of surface copper mineralisation including visible chalcocite, chalcopyrite, bornite, fine-grain native copper and the copper oxide minerals malachite and azurite, in an area previously unexplored between the Fairfield and Solsbury Hill prospects, in the north of the Company's ML90177

In a recent new development, earthworks near the Rocklands Site Office has uncovered a 15m wide zone of surface copper mineralisation including visible chalcocite, chalcopyrite, bornite, fine-grain native copper and the copper oxide minerals malachite and azurite, in an area previously unexplored between the Fairfield and Solsbury Hill prospects, in the north of the Company's ML90177.

High-resolution Sub Audio Magnetics (SAM) geophysical surveys, currently being conducted at the nearby Fairfield prospect, were extended to cover the newly identified mineralised zone.

The trench (which more or less resembles an exploration costean), was geologically logged and a sampling programme completed and dispatched for independent lab analysis.

CuDeco Limited enters discussions in respect of a major placement of shares in the Company, with investors located in the USA, China and the United Kingdom

CuDeco Limited has entered discussions with two lead brokers in respect of a significant placement of shares in CuDeco, and these brokers are representing investors located in the USA, China and the United Kingdom.

Discussions are well advanced but the final negotiations have not yet been concluded.

The Company is of the strong belief that conducting negotiations regarding capital raisings whilst the Company's shares are being freely traded in the open market, may potentially result in trading of the Company's securities by investors other than on the basis of a fully informed market.

The Company believes it is in the best interests of shareholders, and for a fully informed market, that trading in its securities be halted at such times, until negotiations are finalised to the extent that details can be released to the market.



Figure 6: Electrical cable trenching unearths 15m wide copper zone just 1m below surface, beside the Rocklands Group Copper Project sign that greets visitors to the Site Office Complex...literally right under our noses all these years!



Figure 7: Sample of high-grade copper mineralisation taken from outcrop uncovered during earthworks; Malachite, azurite, chalcocite, chalcopyrite, bornite and fine-grain native copper within silicified siltstone breccia and magnetite.

QUARTER HIGHLIGHTS - DEVELOPMENT

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

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 8: 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.



Figure 9: 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.



Figure 10: Charging Blast Holes with bulk explosives and Priming.

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).

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.

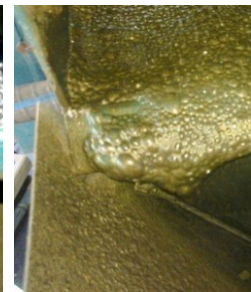
Future copper prices and projected mining costs will dictate feasibility studies in this regard, however due to the extensive drill data-base and comprehensive geological model compiled for the project, significant flexibility exists to adjust cut-off levels when and as required to meet prevailing economic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

Figure 11: 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.



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

In early July, 2012, the Company 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.

The 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 (MMG) 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 Queensland Newman government to help get the state 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.

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

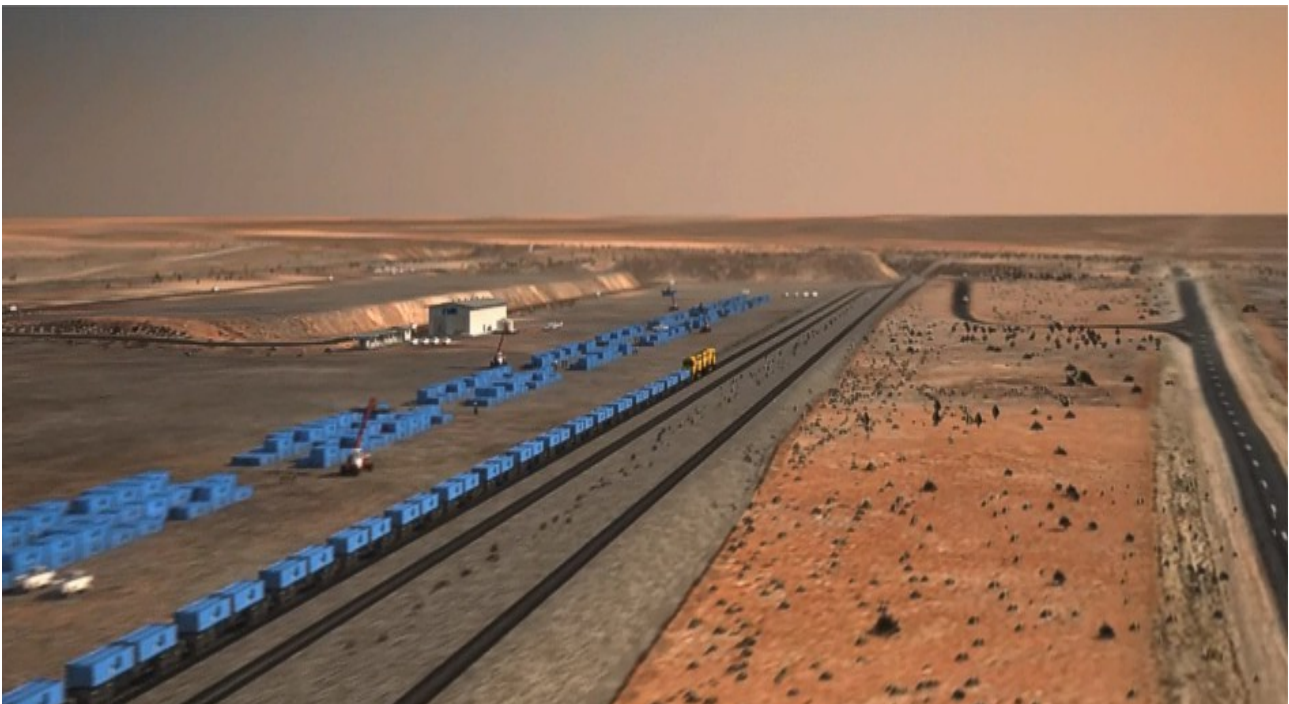


Figure 12: View looking east at the Cloncurry Multi-user Rail-load Facility - 3D design model

The facility is located approximately 7-10km 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.

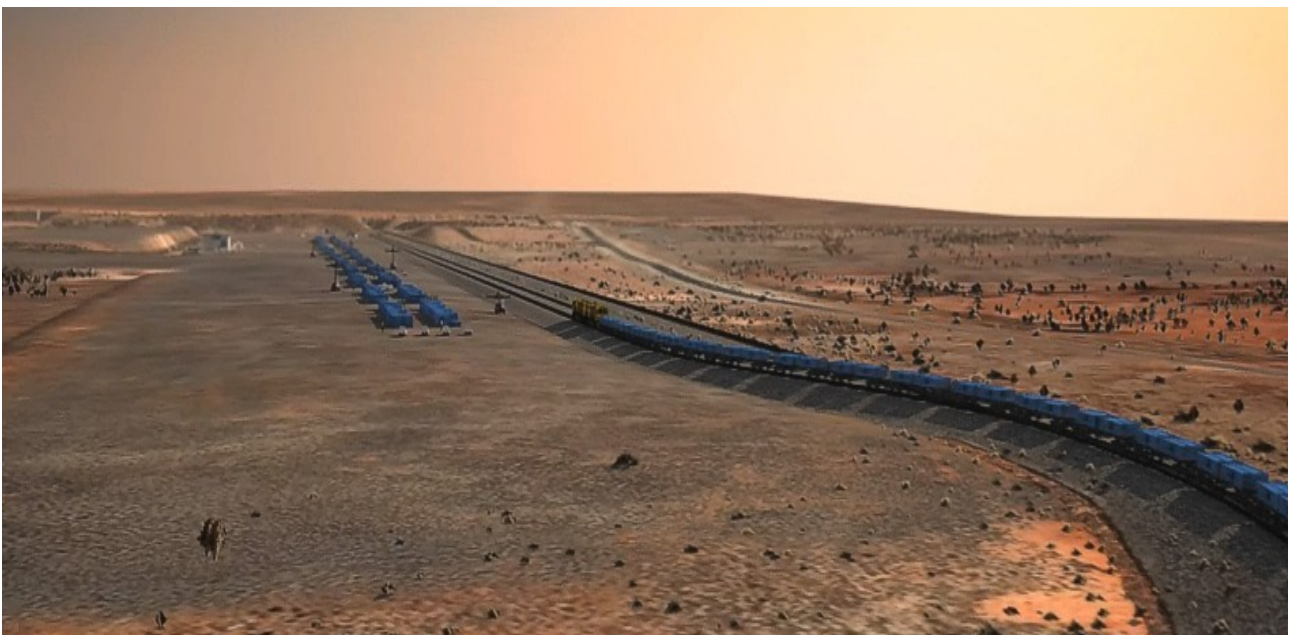


Figure 13: View looking north-west at the Cloncurry Multi-user Rail-load Facility - 3D design model



Figure 14: Loading of sealed containers 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.

Rocklands Mineral Process Plant Componentry On-track For Early Completion Preliminary Inspections Conducted in China During the Quarter

The Company conducted preliminary inspections of componentry for the new Rocklands Processing Plant being manufactured in China. CuDeco Process Manager, Wade Freeman and Executive Director, Peter Hutchison flew to China to review process design with the Company's design engineers, China Nerin Engineering in conjunction with EP Contractor Sinosteel Equipment and Engineering.

The primary purpose of the visit is to sign off on the final process flow-sheets and processing plant layouts.

Part of the review included inspection of progress of the ball mill manufacture at CITIC Heavy Industries' construction and engineering plant in China.

The Company's representatives also inspected the facilities in Shanghai for the manufacture of some major components of the primary and secondary crushing plant, being supplied by Queensland company EMS-Index. The Company's representatives also inspected the manufacturing facilities of large Chinese companies tendering for the supply of lesser components for the processing plant.

Under the terms of the equipment supply agreements, major items are first built, then erected in their working configurations for final testing and approval in China, prior to being de-constructed and shipped to



Figure 15: Ring Gear - CuDeco's primary Ball Mill



Figure 16: End Plate - CuDeco's primary Ball Mill



Figure 17: Section of Ball-mill Shell - CuDeco's primary Ball Mill

Rocklands for final assembly on site.

A major component of any mineral processing plant is the large-scale Ball Mill, which the Company is pleased to announce is well advanced and likely to be completed in advance of the agreed timetable, originally due for delivery in February 2013.

Some major components will be manufactured in other parts of the world and representatives of some of the componentry manufacturers travelled to China to meet with the Company's representatives during their visit, and also met with Sinosteel and Nerin.

The manufacturing of the high pressure grinding rolls (HPGR) by Polysius, and the native copper recovery jigs (alljigs®) by allmineral (both in Germany), has also commenced. The plant is currently on-track for completion in the 3rd quarter 2013, with commissioning due in the following quarter.

The following page and below show images of a HPGR installation undertaken recently by Polysius for a client in the Middle East. This HPGR is similar (but significantly smaller) to the one which will be installed at Rocklands to form a key part of the comminution/grinding circuit and will be capable of handling grades up to 20% native copper at a feed rate of 390 tonne per hour. The Rocklands HPGR is being manufactured in Germany by Polysius and is expected to be shipped in April 2013. It is one of the long lead items (such as the ball mill) that requires up to 12 months to manufacture.



Figure 18: Lifting one of the two Grinding Rolls into position - recent HPGR installation by Polysius in the Middle East



Figure 19: Positioning the HPGR Drive Shafts (2 x 2000hp electric motors) - recent HPGR installation by Polysius in the Middle East. The HPGR pictured is significantly smaller than the one currently being manufactured for the Rocklands native copper circuit



Figure 20: Installation technician working on the hydraulic hosing - recent HPGR installation by Polysius in the Middle East. CuDeco's HPGR will be capable of processing material at the rate of 390 tonnes per hour



Figure 21: HPGR Hydraulic couplings prior to the drive shaft connections - recent HPGR installation by Polysius in the Middle East

HPGR testing formed an integral part of the Pilot Plant testing of the native copper and primary ores undertaken at the Nagrom Metallurgical Laboratories in WA which resulted in a 97% recovery of +1mm native copper from the native copper ore, with the balance (-1mm native copper) being recovered through the gravity and flotation circuit.

CuDeco signs form Lease and Executes option with the Port of Townsville for a Receival, Storage and Export Facility

CuDeco's 100% owned subsidiary, CuDeco Logistics Pty Ltd, and the Port of Townsville Limited signed a Lease for 1.506 ha of land at the Port of Townsville. The Lease formalises the "option to lease" CuDeco previously had over the land through a Staged Agreement.

The Lease allows construction and operation of a bulk materials receival, storage and export facility which has previously received Development Approval from Port of Townsville (23 May 2012) and a Development Permit from the Department of Environment and Resource Management (18 April 2012).

The lease is for part of the area otherwise known as Lot 791 on EP2348.

CuDeco's Product Storage Terminal includes storage capacity of up to 400,000 tonnes in up to eight (8) separate bays. Each bay is able to hold a separate product including Copper/Gold and Cobalt/Pyrite concentrates. The bays also allow CuDeco to hold third party products without interfering with the storage of CuDeco's products.

CuDeco is continuing to negotiate with new and existing Port users about potential use of CuDeco's facilities. CuDeco intends to load the concentrates from the Terminal onto vessels at an Inner Harbour Berth using a ship loader capable of 2,000 tonnes per hour.



Figure 22: Office and Product Storage Terminal (3d model)

CuDeco is also investigating and negotiating ownership and operating models pursuant to its obligations under a Staged Agreement with the Port of Townsville to develop an Outer Harbour Solution to cope with future constraints and bottlenecks of the Port Infrastructure. CuDeco hopes to reach an agreement with the Port of Townsville in relation to potential new outer berth to allow access by larger vessels by the end of January 2017.

CuDeco's Port Facility in Townsville will operate in conjunction with the new Multi-User Rail Load Facility CuDeco is developing jointly with Xstrata Copper and Minmetals Group in Cloncurry. The entering into the lease is a major milestone in CuDeco's Mill to Market, Three-stage Concentrate Transportation process employing best practice and environmentally safe procedures.

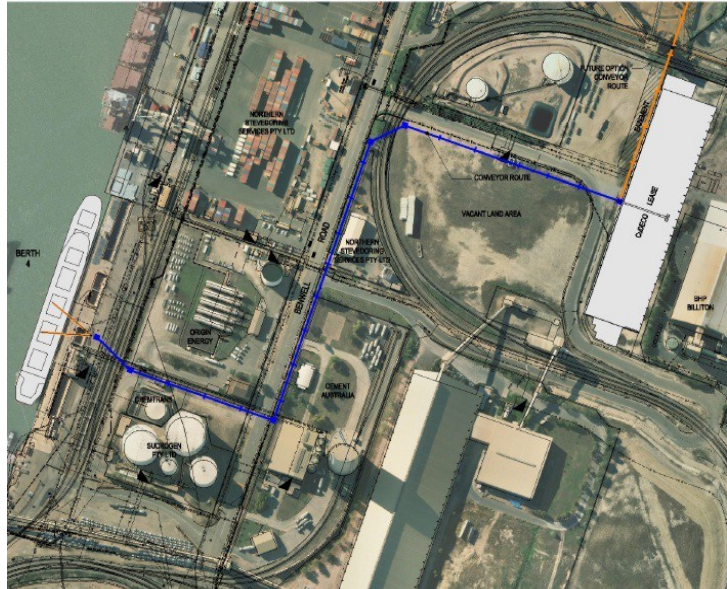


Figure 23: CuDeco's Lease area and preliminary design for Ship Loader and Conveyor Route



Figure 24: Location of CuDeco's Lease within the Inner Balloon Jetty Loop and adjacent to BHP's facility



Figure 25: Excavation of a large cutting for the Morris Creek Diversion Channel - anticipated to be completed prior to the onset of the wet-season.

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.

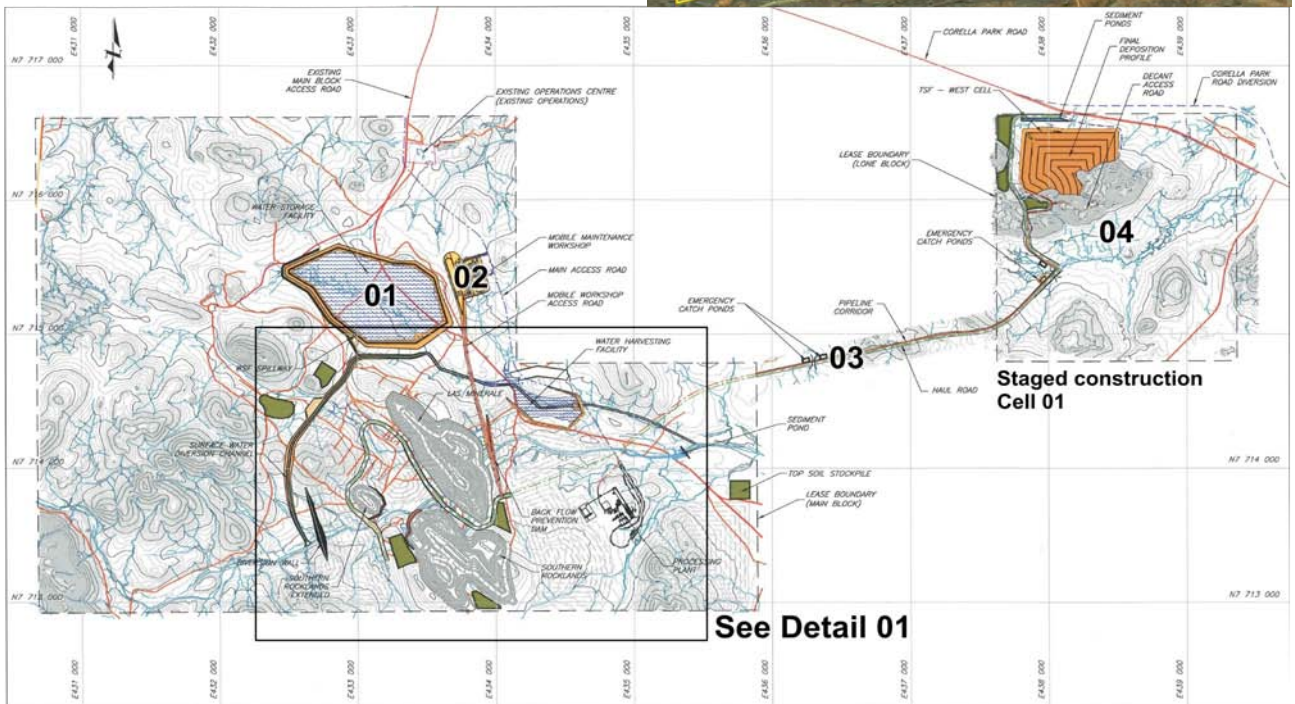
At the end of the quarter, infrastructure costs were running at **\$16m under budget** compared to pre-development costing studies. Highly proficient management of assets, and innovative development methods, are resulting in considerable time and costs savings throughout the project.

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.

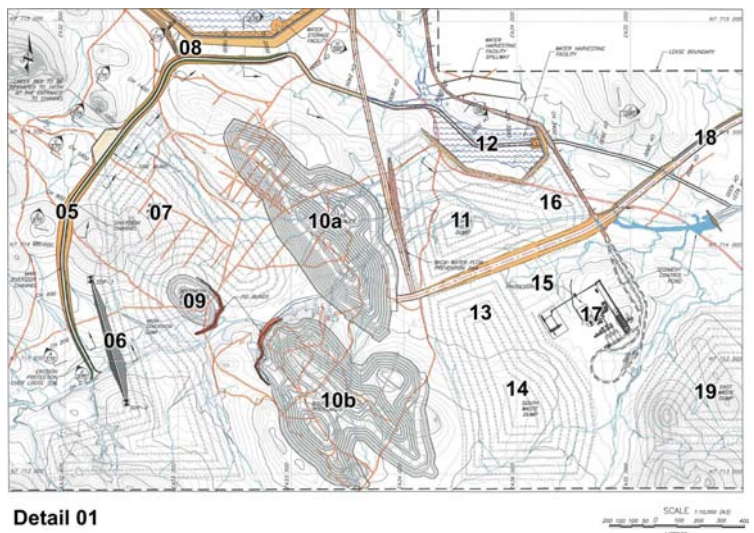
The Diversion Channel was estimated at \$8.50 per BCM in pre-development studies, and is currently averaging just \$3.50 per BCM.

Key areas under development during the Quarter include;

1. *Las Minerale, Rocklands South and Rocklands South Extension starter-pits*
2. *Las Minerale and Rocklands South surface bedrock drilling and sampling programme*
3. *Morris Creek Diversion Channel, Key-way and Dam Walls*
4. *Infrastructure Corridor haul roads and Tailings Storage Facility (TSF)*
5. *Water Storage Facility (WSF)*
6. *Major Access Roads*
7. *Process Plant design and Site Preparation*
8. *Multi-user Rail Load-out Facility*



- 01 - Water Storage Facility (WSF)
- 02 - Maintenance Workshop & Office
- 03 - Infrastructure Corridor (Haul Road and Pipelines)
- 04 - Tailings Storage Facility (TSF)
- 05 - Morris Creek Diversion Channel
- 06 - Morris Creek Diversion Dam
- 07 - West Waste Dump
- 08 - Water Storage Facility Temporary Key-way
- 09 - Rocklands South Extension pit (PAF pond)
- 10a - Las Minerale Pit
- 10b - Rocklands South Pit
- 11 - North Waste Dump
- 12 - Water Harvesting Facility (WHF)
- 13 - Primary Stockpile
- 14 - South Waste Dump
- 15 - Run of Mill (ROM) Pad
- 16 - Native Copper and Chalcocite Stockpile
- 17 - Process Plant
- 18 - Haul Road
- 19 - East Waste Dump



Detail 01

Figure 26: General Arrangement plans and location references



Figure 27: Sample bags remain on the various bedrock lines over the Las Minerale starter-pit area. Numerous zones of mineralisation have been identified within the predominately “free-dig” zone in the planned pit area, additional to identified ore zones, that will be stockpiled

Las Minerale and Rocklands South Pits...see Figure 26 for location

At the locations of the Las Minerale and Rocklands South starter pits, organic material and topsoil has been removed and stored in segregated stockpiles for later rehabilitation work, and initial development activities are currently underway, including removal of some areas of surface rock.

Pit outlines have been surveyed and planning is underway for preliminary excavations prior to mining.

Las Minerale and Rocklands South Bedrock Drilling and Sampling Programme...see Figure 26 for location

A high-intensity shallow bedrock drilling and sampling programme was conducted over both the Las Minerale and Rocklands South pit locations, targeting depths to 25m predominately within the native copper and chalcocite supergene zones, but also in areas proximal to these zones.

The purpose was to delineate shallow zones of copper mineralisation above and proximal to the supergene, native copper and chalcocite zones, speculated to exist and as identified in a shallow test-trench excavated earlier in the year, not been included in the current resource model.

Several zones of native copper were intersected that were not included in the current native copper domain of the resource, including a separate area some 50m to the south of the identified native copper zone.

Morris Creek Diversion Channel, Diversion Key-way and Dam Walls...see Figure 26 for location

Construction of the Morris Creek Diversion Channel and associated infrastructure is well advanced.



Figure 28: Dump truck and excavator working at Morris Creek Diversion Channel excavations.



Figure 29: Scrapers levelling and removing clays at the Process Plant site.



Figure 30: Clearing and preparation of Crusher Pad - foundations and associated concrete work to commence within the week.



Figure 31: Morris Creek Diversion Channel Dam Wall - structural excavation and site preparation.



Figure 32: Dump truck unloads rock for use in the Water Storage Facility (WSF) Dam Wall construction.



Figure 33: Pre-strip clearing of organic material and topsoil from the Process Plant area



Figure 34: Second “shot” of the project - during construction of the Diversion Channel

The Diversion Channel is required to divert water flowing through Morris Creek during the wet season away from the pit and development areas. The diversion channel is scheduled to be completed prior to the onset of the wet season.

First water to flow through the channel will be temporarily diverted to fill the project's main Water Storage Facility via a Key-way, excavation of which has been completed.

Dam wall construction has recently commenced.

Infrastructure Corridor, Haul Road and Tailings Storage Facility (TSF)...*see Figure 26 for location*

Subsequent to the Queensland Government granting of Mining Lease (ML90219) for the corridor between the two main mining leases that make up the Rocklands Group Copper Project (ML90177 & ML90188), development clearing and excavation activities have been completed and haul-roads are currently being constructed.

This important access corridor enables delivery of power required for tailings dewatering and return water systems, and facilitates the construction of pipelines and haul road access between the process plant and TSF.

The Rocklands Project TSF is designed for a minimum storage capacity of 30 million tonnes of tailings waste, and is designed to facilitate the 30mt of ore scheduled to be processed through the Rocklands Process Plant during the current 10 year mine plan. The TSF is located on ML90188 (*see Figure 26*), where clearing and initial cut-back earthworks are underway.



Figure 35: Significant activity at the Tailings Storage Facility (TSF) - removal and storage of organic material & topsoil for use in later rehabilitation, and laying of clays to base of tailings cell 01.

Water Storage Facility (WSF)...*see Figure 26 for location*

Topsoil removal and stockpiling for future use in rehabilitation works has been completed, and earthmoving surface scrapers are close to completion of stripping and redistribution of clay zones identified for use in constructing water impervious layers where required for dam wall construction.

As with the Diversion Channel, construction of the WSF is scheduled to be completed prior to the onset of the wet season to ensure maximum water capture and storage is attained prior to commissioning of the mineral process plant. Dewatering bores will also be diverted to the WSF, adding to water inventory and helping ensure continuity of water supply for the project.

Major Access Roads...*see Figure 26 for location*

Construction of major access and heavy haulage roads continues, with supply of road-base being met by



Figure 36: Dump trucks hauling material for use as road base from the mobile crushing plant to various locations on site.



Figure 37: Pit dewatering activities (borehole drilling) - once completed, pumps divert the water to temporary storage facilities distributed throughout Rocklands for use in development works and will eventually be pumped to the WSF once it has been completed.

the Company's Mobile Crushing Circuit. Rock types perfect for use in road-base, such as dolerite, are prolific at Rocklands, and has resulted in significant cost savings over material that may otherwise have been sourced off-site.

Approximately 5,000 bank cubic metres (BCM) is being removed per day from the east waste dump area, to sheet the mine haul roads and Process Plant access roads for all-weather access prior to this years wet season (expected to be completed before the end of Oct).

Process Plant Design and Site Preparation...see Figure 26 for location

CuDeco's fabricators, construction, electrical and mechanical engineers, are currently in China to assess and sign-off on outstanding design solutions, representing the final stages of the pre-manufacturing design process. Stringent Quality Assurance and Quality Control (QAQC) measures have been employed by the Company, which has included numerous visits and inspections of various manufacturing plants.

Concrete works are about to commence, and are planned to be completed prior to the onset of this years wet season.

Process Plant primary Crusher and stores area pads have been completed

The ROM pad area has been stripped of organic material and top soil which has been stockpiled on one of the designated storage areas for later use in rehabilitation.



Figure 40: Excavation of a large cutting for the Morris Creek Diversion Channel - anticipated to be completed prior to the onset of the wet-season.

Status of Major Components;

- Ball-mill (5800 diameter x 8300mm long) - *ahead of schedule*
- alljig® - *on schedule*
- High Pressure Grinding Rolls (HPGR) - *on schedule*
- Basic Engineering for the processing plant - *completed*
- Crusher circuit (3mtpa) on track for completion of commissioning by end January 2013 - *one month behind schedule due to modifications and upgrades*
- Structural steel requirements ordered for the mineral processing plant. The supply agreement requires all steel to be prefabricated prior to export to Rocklands, which will reduce the expensive costs associated with the onsite fabrication, cutting and handling. To be delivered in four shipments embarking China from December 2012, to March 2013 - *on schedule*
- Thickeners have been ordered - *on schedule*
- Scrubber has been ordered - *on schedule*
- Flotation cells have been ordered - *on schedule*
- Tenders have been called for the Process Control System - *on schedule*
- *Detailed design engineering - on schedule*

Ground activities accelerated significantly this month with over 156,000 tonnes of material moved and/or relocated for various infrastructure needs...this is virtually double the tonnages estimated for this stage of the project in the pre-development costing studies.

To date infrastructure development activities have been completed, or are in the process of being completed, ahead of schedule and under budget...a trend I hope to see continue.

Multi-user Rail Load-out Facility

The approvals process is being progressed by the joint venture parties.

As previously announced the Cloncurry Rail facility located just outside Cloncurry will now incorporate a JV with CuDeco, Xstrata, operators of Mt Isa Mines and Ernest Henry, and China state-owned Minmetals Group (MMG) who are the operators of the Century Zinc operations in North-west Queensland.

Due to the significant growth of the Cloncurry Copper Belt and multiple new projects anticipated to commence in the region over coming years, CuDeco recognised the mutual benefit available if a joint development approach was adopted for the facility.

The proposed facility, expected to be completed late 2013 or early 2014, will provide significant and measurable benefits for all joint development participants, the Cloncurry township, and more broadly, the entire region.

CuDeco has arranged interim plans for the transport of concentrates expected to be transported late 2013, and have reached final discussions with Queensland National Rail (QRN), to secure timetable space for 1.2km long trains and timely shipments between the Cloncurry Multi-user Rail Load-out Facility and Townsville port.



Figure 41: Las Minerale Starter-pit area, being cleared in preparation for initial mining activities. Organic material and topsoil is firstly removed and stored in segregated stockpiles for later rehabilitation, prior to basic pre-mining activities which includes the removal of some areas of surface colluviums. The area cleared for the main Water Storage Facility (WSF) can be seen in the background, behind the intermediate tree-line, and in the far background to the right, the rooflines of the Rocklands Compound...see Figure 3 for approximate pit outline overlay.

QUARTER HIGHLIGHTS - EXPLORATION

New native copper discovery - 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 45*.

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

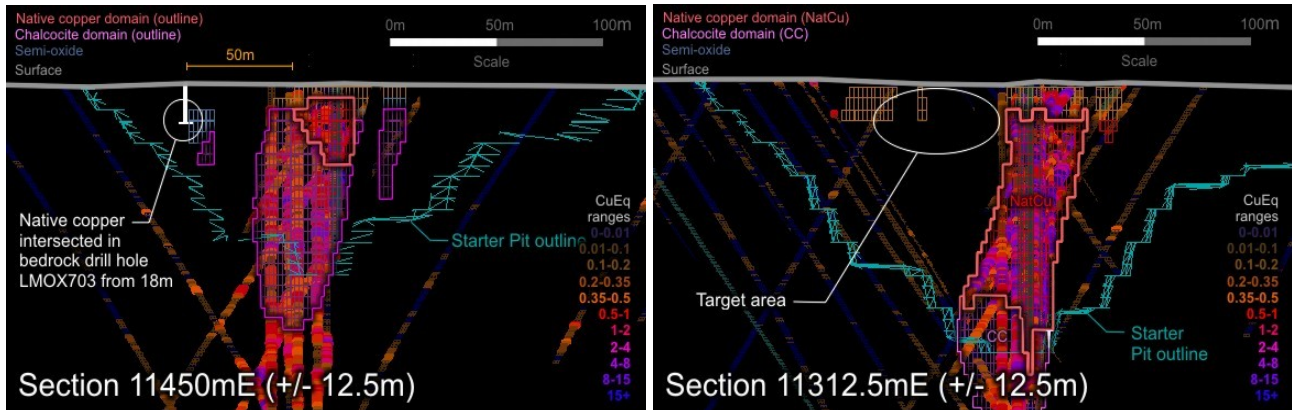


Figure 43: Sections showing location and depth of new native copper zone, that also correlates with chalcocite and semi-oxide domains at depth (left image) and similar location further along strike in a drilling void that will also be targeted. The zone is 50m away from the native copper domain in Las Minerale

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 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.



Figure 44: 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 costean.

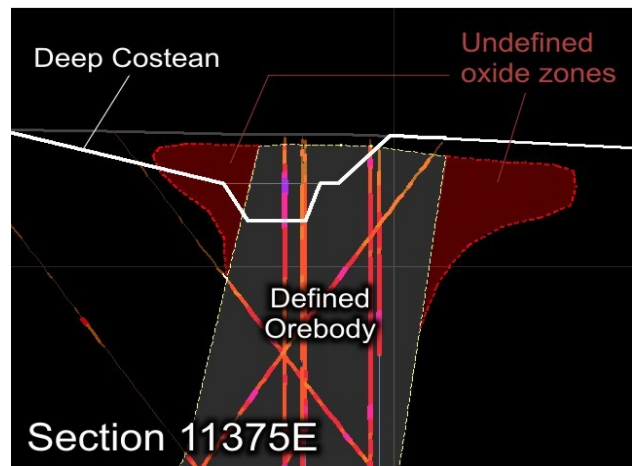


Figure 45: Oxide copper zone (red shaded area on left) identified adjacent to the Las Minerale orebody during excavation of deep costean, The red shaded areas adjacent to Las Minerale are speculated to exist and were the target of test costean and current infill bedrock drilling programme.

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 48*.

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 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.

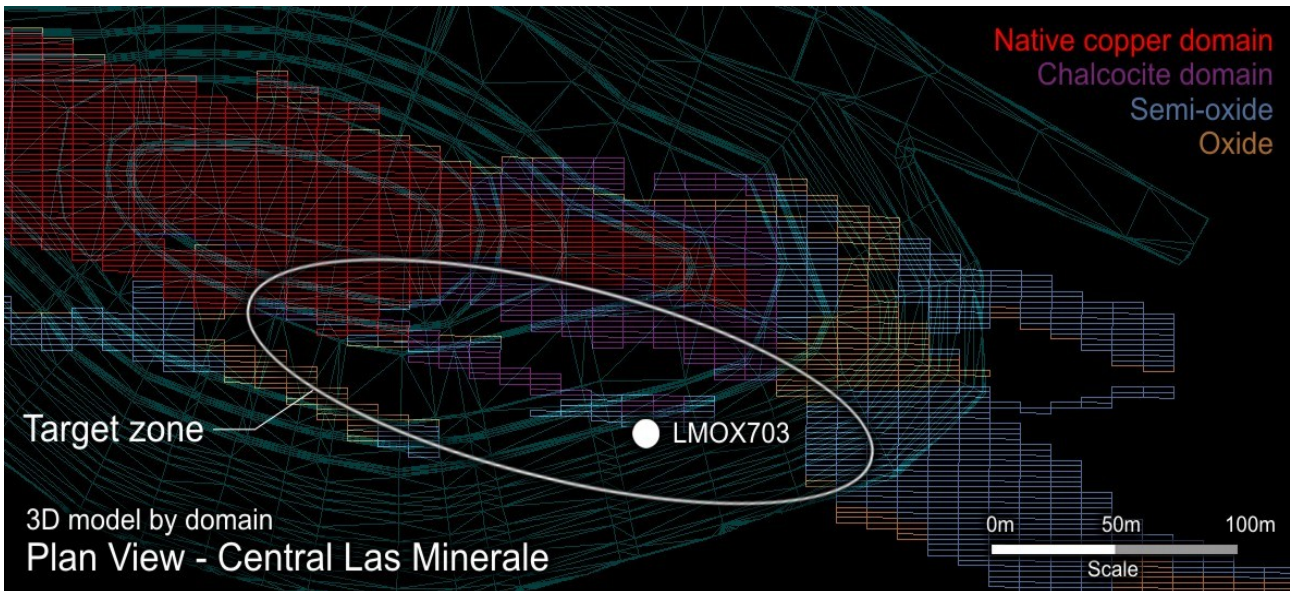


Figure 46: Plan view by ore type domain, showing location of bedrock drill hole LMOX703 that intersected native copper at 18m depth, some 50m offset to the native copper domain at Las Minerale.

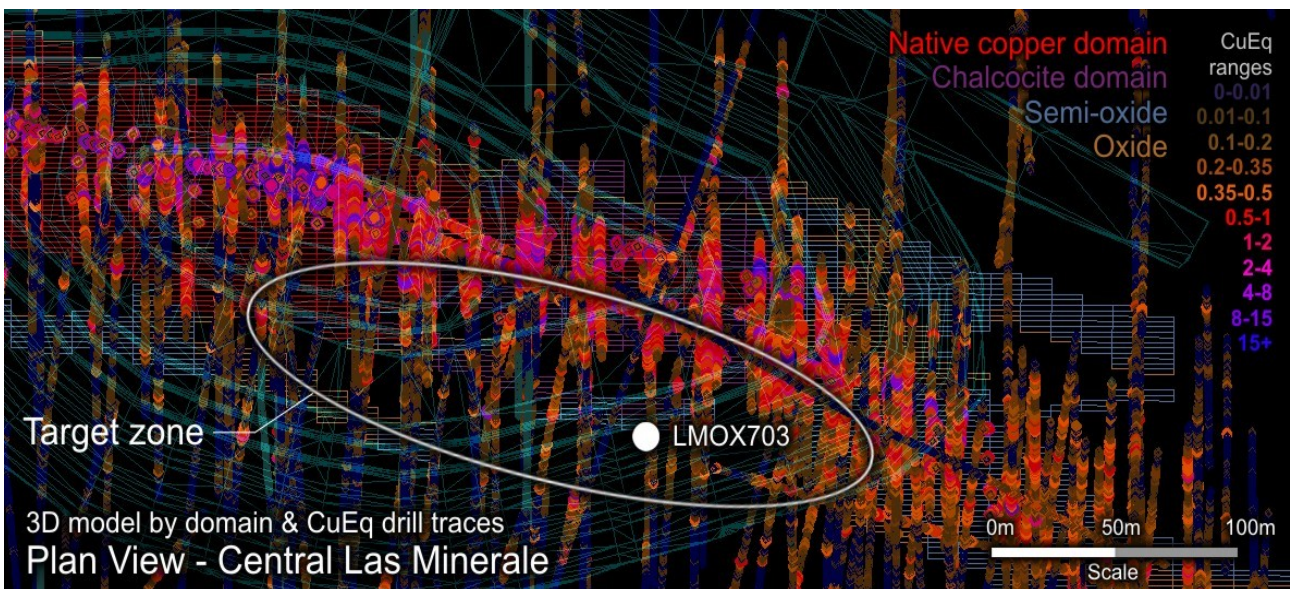


Figure 47: Plan view by ore type domain and CuEq drill trace, showing location of bedrock drill hole LMOX703 that intersected native copper at 18m depth, some 50m offset to the native copper domain at Las Minerale.



Figure 48: 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.

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.



Figure 49: 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.



Figure 50: 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.

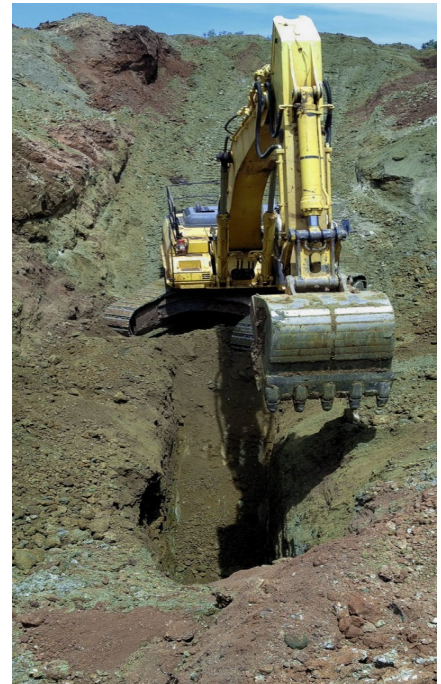


Figure 51: The green-grey/olive coloured high-grade copper-rich ore is easily identified against the red-coloured, iron-rich gangue (waste) material.

Fairfield drilling programme recommences with immediate success. Massive and semi-massive chalcocite (high-grade copper mineral) intersected over wide zones returning high-grade copper results

The Fairfield Prospect has been upgraded to “significant project status” following recent drilling success - a resource estimate has not yet been completed at Fairfield.

The results of the recent drilling programme have seen some of the highest grade copper intersections yet seen at the Rocklands Group Copper Project since the discovery of the high grade Las Minerale and Rocklands South orebodies. The latest results confirm that a significant, and very high-grade zone of copper/cobalt mineralisation exists at the Fairfield Prospect, of sufficient grade and scale to warrant inclusion in the Rocklands Group Copper Project resource inventory.

Lateral and vertical “fans” of diamond drill holes are currently being drilled at Fairfield, to facilitate detailed structural measurements in areas containing high-grade mineralisation proximal to, or associated with, heavily sheared and/or fractured host rock. Important structural measurements from single or wide-spaced drill holes cannot be reliably obtained in such ground, and due to the orientation of previous drilling at Fairfield (drilled parallel to the interpreted faults), structural interpretation to date has been limited. Detailed structural analysis will improve the



Figure 52: Current drilling at Fairfield (left) and the old Fairfield pit (right)

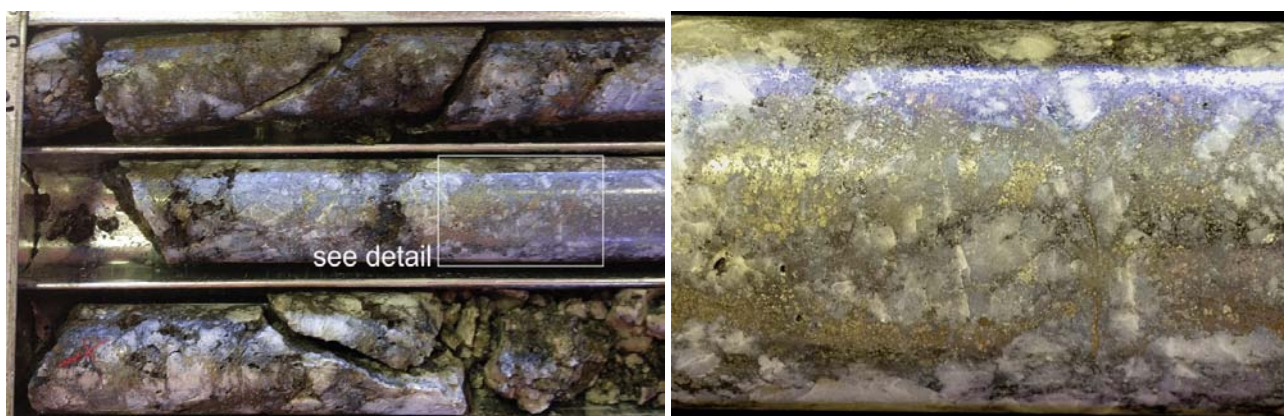


Figure 53: Example of high-grade drill core from approximately 79m in diamond drill core DODH443 at Fairfield. Massive and semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

current geological model for Fairfield, and provide important information for resource estimation and potential mine planning.

Fairfield is located in the north-west of the Company's mining lease (ML90177) approximately 2.5km from the flagship Las Minerale orebody and will possibly add to high-grade inventory to be processed through the Rocklands Processing Plant. Upgrading the project status means assets will now be allocated to accelerate exploration and delineation of the mineralised zone, including a dedicated drill rig over the coming months, with the view to obtaining sufficient information to support a resource estimate to at least indicated category as soon as possible.

DODH443		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
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
DODH445*		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	21m	@ 2.43%	1.60%	696	0.20	73m	- 94m
<i>including</i>		11m	@ 4.11%	2.67%	1200	0.35	74m	- 85m
DODH446*		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	21m	@ 4.41%	3.09%	1160	0.26	66m	- 87m
<i>including</i>		17m	@ 5.28%	3.71%	1370	0.31	67m	- 84m
<i>including</i>		10m	@ 7.24%	4.98%	1980	0.39	67m	- 77m
DODH447*		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	30m	@ 3.40%	2.65%	650	0.24	73m	- 103m
<i>including</i>		15m	@ 6.26%	4.95%	1210	0.43	77m	- 92m
<i>including</i>		10m	@ 8.19%	6.47%	1520	0.53	77m	- 87m
<i>including</i>		7m	@ 9.71%	8.07%	1460	0.68	80m	- 87m
DODH448*		Width	CuEq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	19m	@ 2.32%	1.49%	776	<i>pending</i>	79m	- 98m
<i>including</i>		6m	@ 5.21%	4.00%	1200	<i>pending</i>	82m	- 88m
<i>including</i>		3m	@ 7.98%	6.86%	1250	<i>pending</i>	82m	- 85m

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.

* these results released subsequent to quarter end.



Figure 54: Example of high-grade drill core intersected in DODDH448 at Fairfield. Massive and semi-massive chalcocite (chalcocite contains 79.9% copper metal), and minor chalcopyrite (chalcopyrite contains 34.6% copper metal), bornite (bornite contains 63.3% copper metal) and pyrite (cobalt is associated with pyrite at Fairfield). Left approx. 83m, right approx. 81-84m...announced subsequent to quarter end.

Once a Resource Estimate has been completed for Fairfield, mining studies will 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.

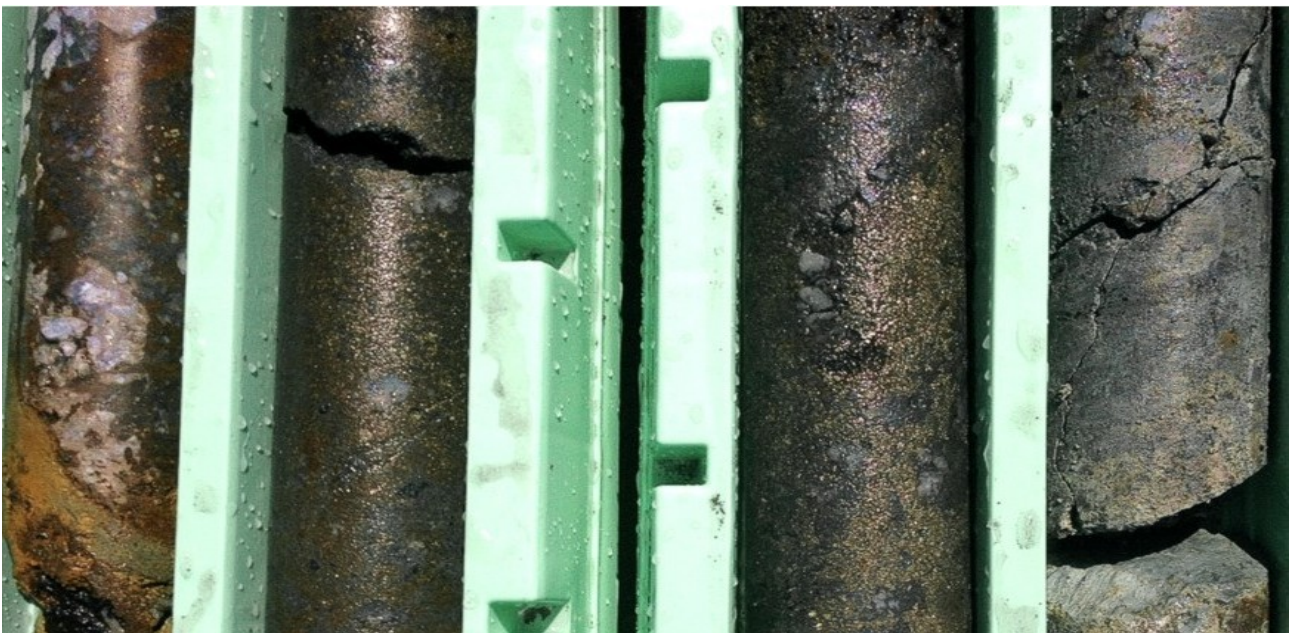


Figure 55: Example of drill core from approximately 82m - 86m in diamond drill core DODH448 that assayed 4m @ 6.80% CuEq. Massive and semi-massive chalcocite, chalcopyrite and pyrite and minor bornite in highly-weathered breccia matrix. Chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal, bornite contains 63.3% copper metal and cobalt is usually associated with pyrite at Fairfield...announced subsequent to quarter end.

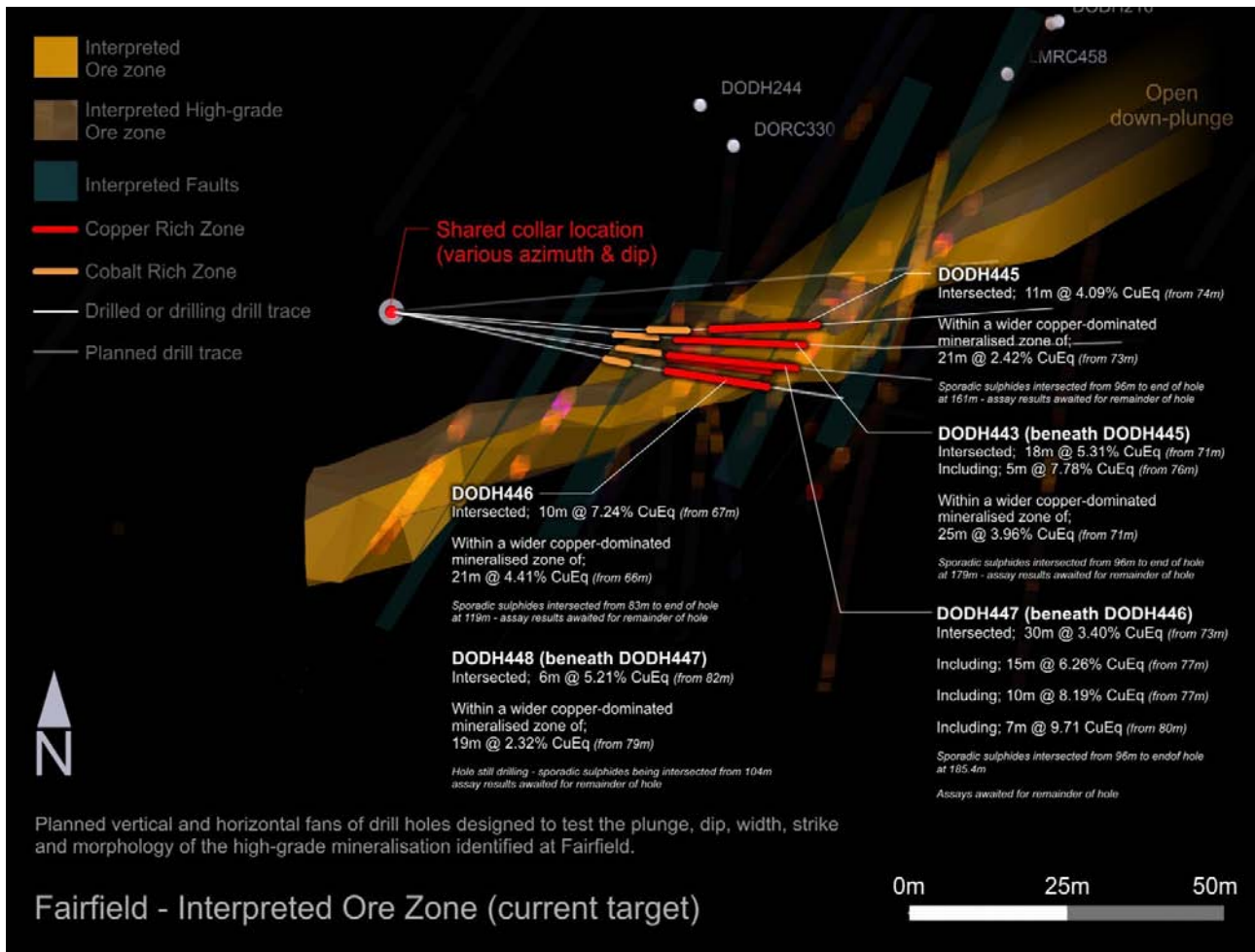


Figure 56: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and as such, are likely to have missed them...announced subsequent to quarter end.

Mineralisation at Fairfield identified to date appears to extend for approximately 180m down-plunge (see long-section Figure 57), 150m along strike (see plan Figure 56), at least 90m down-dip (see cross-section Figure 57), and between 8-20m wide, and remains open in all directions. A very-high grade zone exists within this mineralised outline, that appears to plunge to the east and remains open down-plunge. A series of structures and offsetting shear-zones have been identified that have previously added to the complexity of defining the mineralised zone at Fairfield.

Success with the current drilling programme 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 and will facilitate important structural measurements previously not able to be obtained.

Recent drilling also 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.

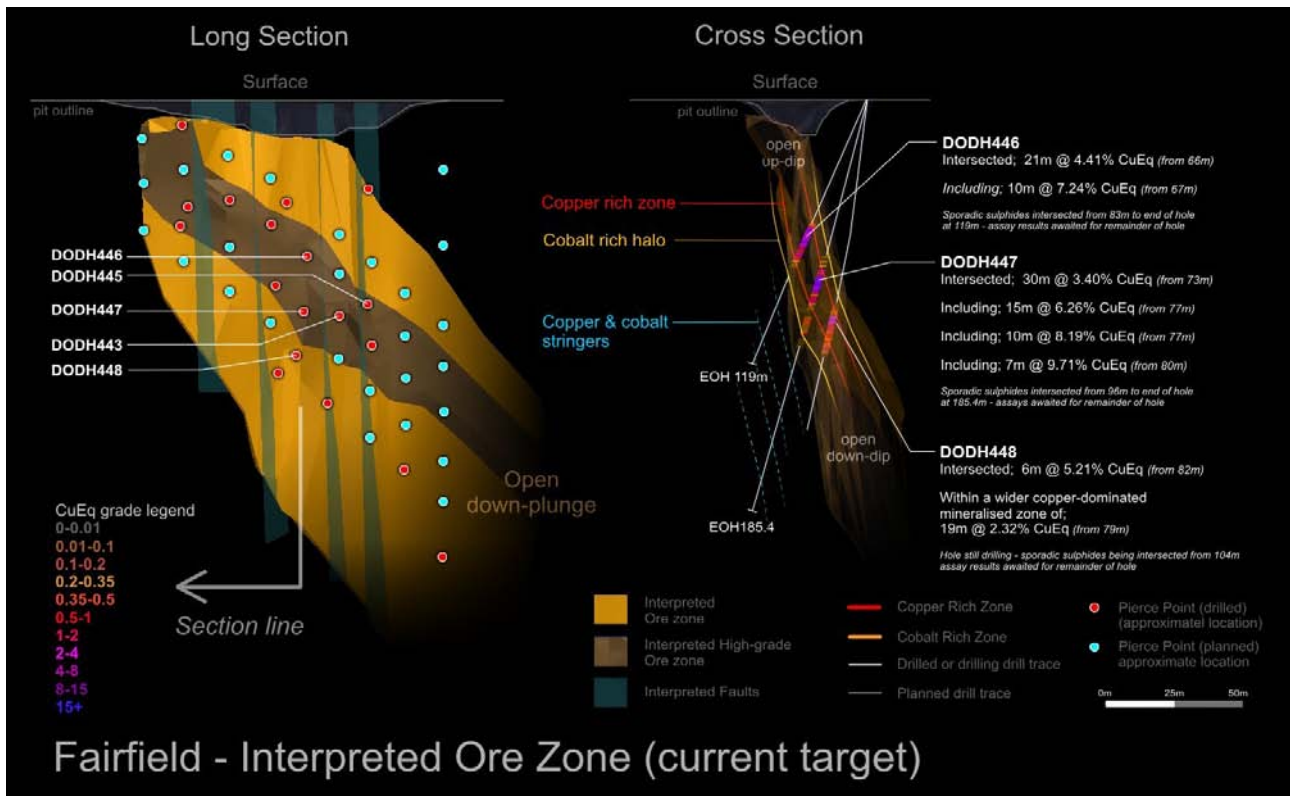


Figure 57: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and is likely to have missed them. The above long-section shows 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...announced subsequent to quarter end.

- The existence of 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)

Drilling at Fairfield will continue for the next few months, with the view to evaluating the scale and grade of the high-grade zone to an extent appropriate to support a resource estimate to be calculated.

The Fairfield mineralised structure is complex and dominated by sulphides (chalcocite, chalcopyrite and pyrite). There are several shear zones that make up the mineralised structure at Fairfield which has led to poor ground conditions for drilling. The ground is highly broken with puggy clays throughout the structure which has caused issues orientating the structures through conventional drill core orientation methods. It has also led to the termination of holes prior to their desired target. The orientation of current drilling has alleviated the issue of achieving the target depths.

The drill programme will now drill a series of fans in the current orientation across an interpreted east-plunging high-grade zone in sections moving in an eastward direction. This will allow the team to better ascertain the angle, depth and true width of the plunging high-grade zone.

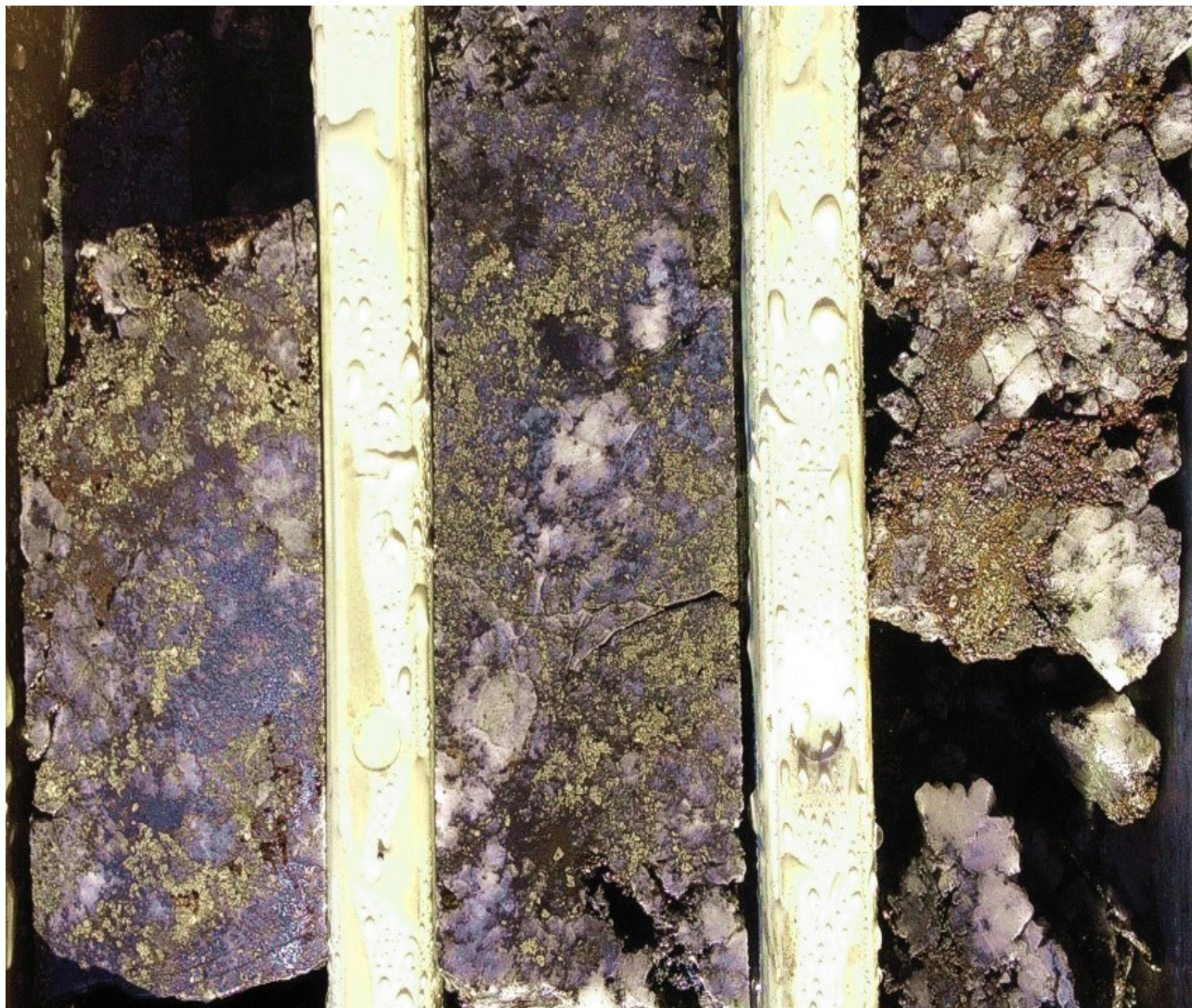


Figure 58: Example of high-grade drill core intersected in DODDH447 at Fairfield (approximately 84m - 86.4m). Highly-weathered semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), bornite (bornite contains 63.3% copper metal) and pyrite (cobalt is associated with pyrite at Fairfield)...announced subsequent to quarter end.

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, of the Rocklands Cu-Co-Au type, although the strike of mineralisation differs considerably from other Rocklands orebodies.

Previous 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.

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 mineralisation in the Rocklands area.

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

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, 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.

A new series of SAM surveys will be conducted at Rocklands and at the Company's new EPM18054 in the coming weeks, including at Fairfield where a high-resolution survey will be conducted.

QUARTER HIGHLIGHTS - CORPORATE

CuDeco hosts Community Information Night in Cloncurry

CuDeco senior staff members Peter Hutchison (Executive Director), Noel Everon (Project Manager), Wade Freeman (Process Manager) Bobbie Hart (Human Resources Superintendent) and Sarah Cohen (Environment Manager) made a presentation to the local Cloncurry community to provide an update on the current project status including contracting, supply and employment opportunities.

The Company is very pleased with the turn-out, with a large section of the local community attending.

Feedback from attendees and the general local community has been positive, especially in relation to potential employment and supply opportunities. Concerns were raised regarding accommodation and potential for mining operations to move from residential to Fly-In Fly-Out however, CuDeco's reaffirmed its commitment to residential operations unlike others in the area, which was a point well received.

Other questions addressed included:

- Local emergency services interactions with the project site.
- Concentrate transport.
- Opportunities for local suppliers and contractors to be used in preference to larger regional suppliers.

Another community update meeting is anticipated to be held within the next three to six months.

The Company's 2012 Annual Report is available for online viewing

The Company's 2012 Annual Report was released to the market on 22 October. An online version of the report can be viewed at the following link;

<http://www.cudeco.com.au/pdf/20121022%20CuDECO%202012%20Annual%20Report.pdf>

Yours faithfully



Wayne McCrae
Chairman

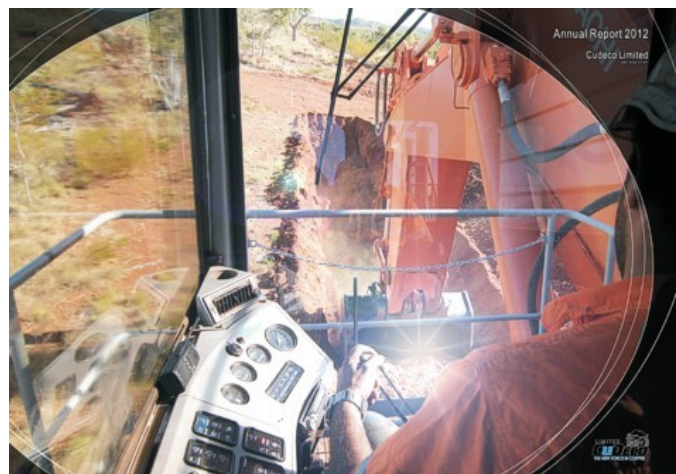


Figure 59: Cover of the 2012 Annual Report - light at the end of the tunnel.

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 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 25th 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. Poly-metallic 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
Cu = Copper
Co = Cobalt
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

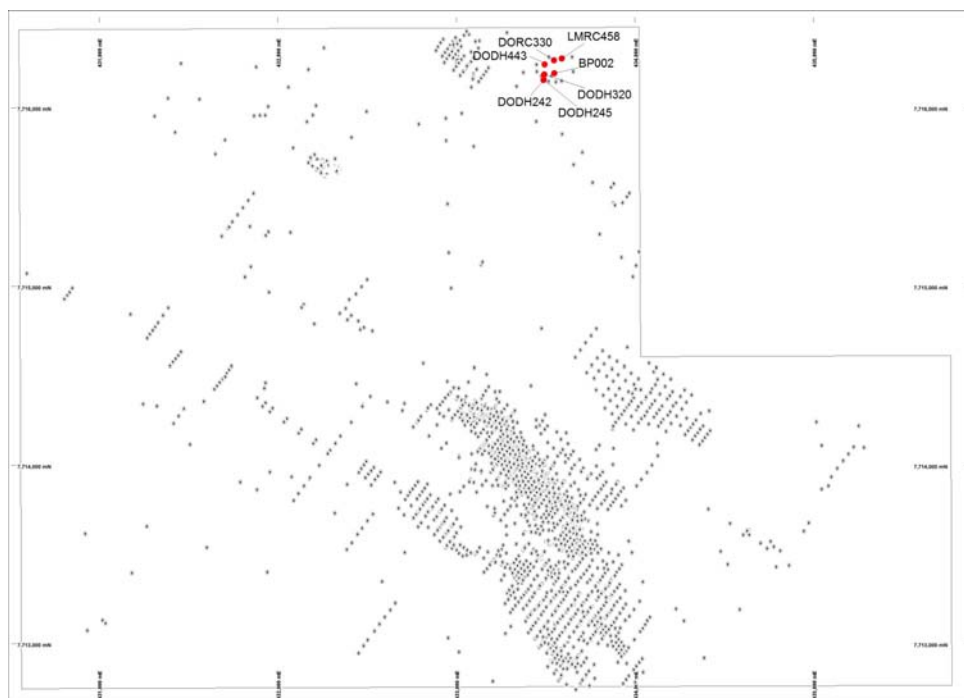
This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could 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)
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	433495	7716237	217	090	-50	179
DODH444	433495	7716237	217	084	-47	146
DODH445	433495	7716237	217	090	-45	161
DODH446	433495	7716237	217	095	-45	119
DODH447	433495	7716237	217	092	-55	185.4
DODH448	433495	7716237	217	092	-60	149
LMOX703	433534	7713754	219	000	-90	25.2

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



JORC Resource Statement

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 following.

Measured Resource Estimate May 2011 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	47.2	0.41	353	0.1	2.9	0.89	1	425	929	1,037
0.4	34.6	0.54	407	0.11	3	1.1	1.2	410	838	918
0.8	13.8	1.1	597	0.19	3.5	1.93	2.06	335	589	628
Indicated Resource Estimate May 2011 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	121.9	0.19	241	0.08	3.1	0.53	0.64	505	1,417	1,712
0.4	63.3	0.32	291	0.11	2.7	0.74	0.83	448	1,026	1,161
0.8	16.4	0.81	367	0.19	1.3	1.36	1.4	293	491	508
Total Measured and Indicated Resource Estimate May 2011 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq	Cu	CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	169.2	0.25	273	0.09	3.1	0.63	0.74	930	2,347	2,750
0.4	97.9	0.4	332	0.11	2.8	0.86	0.96	858	1,864	2,080
0.8	30.3	0.94	472	0.19	2.3	1.62	1.7	627	1,081	1,136
Inferred Resource Estimate May 2011 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq		CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%		Mlb	Mlb
0.2	103.7	0.06	167	0.1	2.9	0.32	0.42		724	957
0.4	20.6	0.17	269	0.08	2.1	0.55	0.62		248	282
0.8	1.1	0.8	281	0.13	1.1	1.22	1.25		29	29
Total Measured Indicated and Inferred Resource Estimate May 2011 at various cut-off grades										
cut-off	Tonnes	Estimated Grade				Copper Equivalent		Contained Metal,		
CuCoAu		Cu	Co	Au	Mag	CuCoAu	CuEq		CuCoAu	CuEq
%	Mt	%	ppm	ppm	%	%	%		Mlb	Mlb
0.2	272.9	0.18	233	0.09	3	0.51	0.62		3,070	3,704
0.4	118.5	0.36	321	0.11	2.7	0.81	0.9		2,112	2,361
0.8	31.4	0.94	465	0.19	2.3	1.61	1.69		1,109	1,165

Notes to accompany 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).

Mining Associates (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 down-hole 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.

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.

$$\text{CuCoAu}\% = \text{cu_perc_krig} + \text{co_ppm_krig} * 0.001232 + \text{au_ppm_krig} * 0.518238$$

$$\text{CuEq}\% = \text{cu_perc_krig} + \text{co_ppm_krig} * 0.001232 + \text{au_ppm_krig} * 0.518238 + \text{mag_perc} * 0.035342$$

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.

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")

30 September 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(271)	(271)
(b) development	(3,596)	(3,596)
(c) production	-	-
(d) administration	(3,728)	(3,728)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1,344	1,344
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R & D Concession received	828	828
Other	8	8
Net Operating Cash Flows	(5,415)	(5,415)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
- Other Assets	(19,936)	(19,936)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	2	2
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities		
1.12 Other – Rental bonds	(11)	(11)
Net investing cash flows	(19,945)	(19,945)
1.13 Total operating and investing cash flows (carried forward)	(25,360)	(25,360)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(25,360)	(25,360)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	750	750
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 – Employee shares acquisition under share plan	(6,115)	(6,115)
	Net financing cash flows	(5,365)	(5,365)
	Net increase (decrease) in cash held	(30,726)	(30,726)
1.20	Cash at beginning of quarter/year to date	127,441	127,441
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	96,715	96,715

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	968
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	\$ 896
Rent paid to director & director-related entity	\$ 72

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	1,000
4.2 Development	7,000
4.3 Production	-
4.4 Administration	3,000
Total	11,000

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	120	1,416
5.2 Deposits at call	96,595	126,025
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	96,715	127,441

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.

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	188,343,961	188,343,961		
7.4 Changes during quarter				
(a) Increases				
Share Placement				
Option Exercise	300,000	300,000		
(b) Decreases through on market buy backs	-	-		
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>
Directors options	2,700,000	-	\$6.50	31.12.12
Employee options	100,000	-	\$4.50	22.02.13
Employee options	225,000	-	\$2.50	15.09.13
Consultant options	400,000	-	\$2.50	15.09.13
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
Consultant options	200,000	-	\$2.50	15.09.13
Employee options	100,000	-	\$2.50	15.09.13
7.10 Expired during quarter				
Employee options	2,150,000	-	\$4.00	31.07.12
Employee options	200,000	-	\$4.50	31.07.12
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

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: 31 October 2012
(Company Secretary)

Print name: Bruno Bamonte

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.

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+ See chapter 19 for defined terms.