LIMITED
CuDECO
THE NEW FORCE IN COPPER

ACN. 000 317 251

Quarterly Report ending 30th June, 2011 — 29th July 2011

ROCKLANDS COPPER PROJECT (CDU 100%)

HIGHLIGHTS

SIGNIFICANT HIGHLIGHTS POST-QUARTER END;

- **Oceanwide International Resources Investment Co. Ltd (Oceanwide), Receive Foreign Investment Review Board (FIRB), Approval to Increase their Shareholding in CuDeco to 19.9%**
- **General Meeting Held at Gold Coast 6th July - Shareholders Approve Issue of New Shares to Oceanwide at $3.80 per share**
- **High-grade Gold, Silver, Tellurium and Uranium continue to be intersected at Wilgar Prospect**
- **New Zones of Copper Mineralisation Discovered Adjacent to Northern Siltstone and Las Minerale Orebodies**

QUARTER HIGHLIGHTS;

- Rocklands Resource Update - 30.3 Mt @ 1.70% CuEq (1.14 billion pounds CuEq)
- Major Goals Achieved in Phase-2 Bulk Sample Testing of Rocklands Ore - Single Circuit Flow-Sheet Confirmed to Efficiently Treat All Rocklands Ore Types - Average Head Grade for All Ore Types (Phase 2) = **3.95%** CuEq
- High Grade Gold Intersected at Wilgar, with Visible Gold and Possible Tellurides Recorded in Diamond Drill Core - Bonanza Gold Grades up to 655g/t
- Bedrock Drilling Doubles The Footprint of Exotic and Precious Metals at Wilgar with Assays up to 173g/t Silver, 15.6g/t Gold and 6260ppm Molybdenum
- Off-take Agreement for Sale of Mineral Concentrates from Rocklands Group Copper Project Completed with China Oceanwide International Holdings Co. Ltd (China Oceanwide), and Oceanwide Subscribes for Shares in CuDeco to the Value of A$130 Million
- Construction of New Sealed Bitumen Road Linking Rocklands Group Copper Project to Cloncurry
- Oceanwide Applies to the FIRB to Increase Their Shareholding in CuDeco to 19.9%
- CuDeco Enters Into Memorandum of Understanding to Lease up to 900 Hectares to Construct a Multi-user, Multi-purpose Rail Load-out Facility Close to Cloncurry
- Exploration Drilling of Potential Mineralised Structures Identified from Geophysics, Including Induced Polarisation (IP), Chargeability Survey, Proves Successful with New Mineralised Zone Intersected Adjacent to Las Minerale and Northern Siltstone Orebodies
- On-market Share Buy-back Recommences - with Support from Major Shareholders

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

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

Quarter Highlights (continued);

- Appointment of New Director and Company Secretary
- Fairfield Exploration Drill Hole DODH242 Intersects High-grade Copper and Cobalt Mineralisation
- Rare Earth Element (REE), Enrichment Confirmed in Assay Results From Wilgar Diamond Drilling

SIGNIFICANT HIGHLIGHTS POST-QUARTER END;

Oceanwide International Resources Investment Co. Ltd (Oceanwide), Receive Foreign Investment Review Board (FIRB), Approval to Increase their Shareholding in CuDeco to 19.9%

Oceanwide received FIRB approval to increase their shareholding in CuDeco Ltd by up to a further 15 million shares. The increase enables Oceanwide to increase their shareholding to approximately 19.9% of the total issued fully paid shares in CuDeco.

Under the agreement between CuDeco and Oceanwide, Oceanwide will subscribe for approximately 15 million new shares in CuDeco at $3.80c per share. The funds will be utilised for the company's flagship Rocklands Group Copper Project, Cloncurry, NW Queensland.

CuDeco's cash position increases to approximately $162m and zero debt after these transactions.

General Meeting Held at Gold Coast 6th July - Shareholders Approve Issue of New Shares to Oceanwide at $3.80 per share

A General Meeting of shareholders was held at QT Gold Coast (formerly Gold Coast International Hotel), Surfers Paradise, Queensland on 6th July 2011, to ratify prior and future placements to Oceanwide.

All resolutions were passed, paving the way for Oceanwide to increase their holding to approximately 19.9%. Oceanwide have communicated an interest to eventually increase their shareholding to 30%.

The board welcomes Oceanwide as the Company's largest cornerstone investor.

Bonanza-grade Gold and High-grade Silver, Tellurium and Uranium Intersected at Wilgar

Assay results were returned for drill holes DODH247, DODH248 and DODH251, with the following highlights; gold (up to **556g/t Au**); silver (up to **730g/t Ag**); tellurium (up to **3500ppm Te**) and; uranium (up to **5640ppm U)***...see ASX release 25 July 2011*

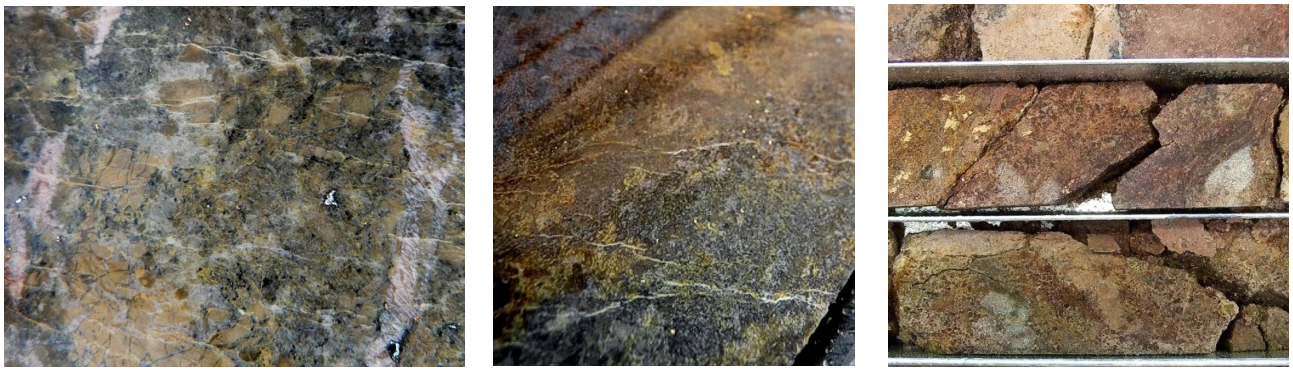

Figure 1: Visible gold and possible gold-tellurides in drill hole DODH240 at approximately 11m, which assayed 348g/t Au (left), visible gold in drill hole DODH223 at 17m which assayed 655g/t Au (centre) and no visible gold in drill hole DODH248 at approximately 6m, which assayed 556g/t Au (right)

Figure 2: Diamond drill hole DODH253 - sulphide vein at approx. 201m (left), and siltstone breccia sulphide infill at 155-157m (right)

The drill holes were designed to follow up on the intersections of high-grade gold in earlier drill holes DODH223 and DODH240, which intersected **20m @ 36.5g/t** Au (from 14-34m), and **12m @ 39.7g/t** Au (from 7-19m), respectively...*see ASX releases 28 April and 31 May, 2011.*

New Zones of Copper Mineralisation Discovered Adjacent to Northern Siltstone and Las Minerale Orebodies

Diamond core drill targeting of Induced Polarisation (IP), chargeability targets adjacent to, and north of the Las Minerale and Northern Siltstone orebodies, has intersected numerous zones of sulphide mineralisation, including the copper mineral chalcopyrite (chalcopyrite contains approximately 34.6% Cu).

The most recent drill hole to test this new mineralised zone (DODH255), was designed to follow up on the exploration success of diamond drill holes DODH236 and DODH253, both of which successfully tested a large "football-shaped" Induced Polarisation (IP), chargeability-high anomaly, in an area that has not been tested in previous drilling campaigns at Rocklands.

Diamond drill hole DODH253 was the second drill hole to test this area and was designed to scissor-test mineralisation identified in drill hole DODH236. The hole intersected a number of chalcopyrite occurrences indicating at least two separate mineralised zones exist in this area. An additional zone of semi-massive chalcopyrite was intersected at 390m, suggesting a third mineralised zone may also exist at depth.

These newly identified zones of chalcopyrite mineralisation occur between the Northern Siltstone and Rainden orebodies (see Figure 41), both to the local grid north of Las Minerale. The new area of mineralisation is located between zones currently included in the Rocklands Group Copper Project resource inventory, and appears to strike sub-parallel to the Company's flagship Las Minerale Orebody. This new discovery underlines the prospective nature of the Rocklands EPM, in spite of over 300,000m of drilling conducted to date, and highlights the potential for increasing the Rocklands resource inventory identified in the May 2011 Resource Estimate.

Approximately 20 new exploration targets are currently being investigated, based on one or more of the numerous geophysical surveys carried out over the Rocklands tenement (EPM13049), and surface geochemical results from soil and bedrock drill samples.

Figure 3: Massive sulphides intersected at approximately 146m in diamond drill hole DODH255.

QUARTER HIGHLIGHTS;

Rocklands Resource Update - 30.3 Mt @ 1.70% CuEq (1.14 billion pounds CuEq)

An updated Resource Estimate reported according to the Joint Ore Resource Committee (JORC), Code and Guidelines, was completed by Mining Associates Pty Ltd (MA) in May, 2011. The primary focus of the Company is to define a mineral resource that will sustain the first ten years of mining operations at a production rate of 3 million tonnes per annum.

MEASURED AND INDICATED RESOURCE

30.3 Mt @ 1.70% CuEq

(1.14billion pounds CuEq)

(using 0.80% CuCoAu cut-off)

MEASURED, INDICATED AND INFERRED RESOURCE

272.9 Mt @ 0.62% CuEq

(3.70 billion lbs CuEq)

(using 0.20% CuCoAu cut-off)

TOTAL CuEq INVENTORY INCREASES BY AN ADDITIONAL 650,000 TONNES COPPER EQUIVALENT FROM 1.03 MILLION TONNES TO 1.68 MILLION TONNES (3.7 billion lbs)

See ASX announcement 25th May, 2011 for full details and report on Updated Resource Estimate.

Resource Estimates for Rocklands Group Copper Project Using Various Cut-off Grades;

Using 0.20% CuCoAu cut-off

MEASURED AND INDICATED RESOURCE

169.2 Mt @ 0.74% CuEq

(2.75 billion lbs CuEq)

MEASURED, INDICATED AND INFERRED RESOURCE

272.9 Mt @ 0.62% CuEq

(3.70 billion lbs CuEq)

Using 0.40% CuCoAu cut-off

MEASURED AND INDICATED RESOURCE

97.9 Mt @ 0.96% CuEq

(2.08 billion lbs CuEq)

MEASURED, INDICATED AND INFERRED RESOURCE

118.5 Mt @ 0.90% CuEq

(2.36 billion lbs CuEq)

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" on next page.

See ASX announcement 25th May, 2011 for full details and report on Updated Resource Estimate.

Table 16 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	CuEqu	Cu	CuCoAu	CuEqu
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	47.2	0.41	353	0.10	2.94	0.89	1.00	425	929	1037
0.4	34.6	0.54	407	0.11	2.97	1.10	1.20	410	838	918
0.8	13.8	1.10	597	0.19	3.53	1.93	2.06	335	589	628

Table 17 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	CuEqu	Cu	CuCoAu	CuEqu
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	121.9	0.19	241	0.08	3.10	0.53	0.64	505	1417	1712
0.4	63.3	0.32	291	0.11	2.74	0.74	0.83	448	1026	1161
0.8	16.4	0.81	367	0.19	1.32	1.36	1.40	293	491	508

Table 18 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	CuEqu	Cu	CuCoAu	CuEqu
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	169.2	0.25	273	0.09	3.05	0.63	0.74	930	2347	2750
0.4	97.9	0.40	332	0.11	2.82	0.86	0.96	858	1864	2080
0.8	30.3	0.94	472	0.19	2.34	1.62	1.70	627	1081	1136

Table 19 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	CuEqu	Cu	CuCoAu	CuEqu
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	103.7	0.06	167	0.10	2.87	0.32	0.42	134	724	957
0.4	20.6	0.17	269	0.08	2.11	0.55	0.62	78	248	282
0.8	1.1	0.80	281	0.13	1.06	1.22	1.25	19	29	29

Table 20 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	CuEqu	Cu	CuCoAu	CuEqu
%	Mt	%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
0.2	272.9	0.18	233	0.09	2.98	0.51	0.62	1064	3070	3704
0.4	118.5	0.36	321	0.11	2.70	0.81	0.90	935	2112	2361
0.8	31.4	0.94	465	0.19	2.29	1.61	1.69	646	1109	1165

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).*

- *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 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 Krige 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 2m within domains and 10m 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;*

*CuCoAu% = cu_perc_krig + co_ppm_krig*0.001232 + au_ppm_krig*0.518238*
*CuEqu% = cu_perc_krig + co_ppm_krig*0.001232 + au_ppm_krig*0.518238 + 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.*

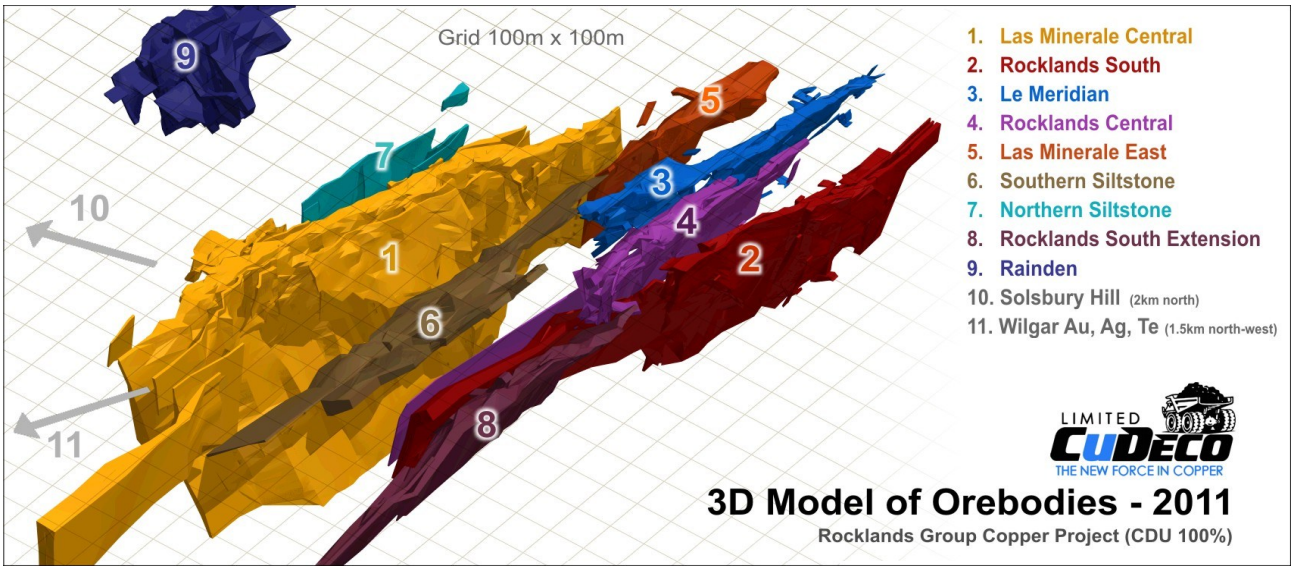

Figure 4: 3D rendered model showing main Rocklands Orebodies

Drill Programme Originally Planned in 2007 Now Completed

In early 2007, the CuDeco geological team determined that approximately 300,000m of drilling would be required to adequately define the identified mineralised zones at Rocklands, for use in resource estimation purposes.

An Updated Resource Estimate was released in August 2010, based on 268,000m of drilling data, approximately 32,000m less than originally planned. It became apparent that certain areas of the resource were not adequately defined and that these areas did not support a sufficiently robust interpretive geological model for use in resource estimation purposes.

The current Updated Resource Estimate is based on more than 305,000m of drilling data and over 292,000m of assayed intervals, which approximates the originally planned drill programme and provides sufficient information to support a robust geological model throughout all mineralised areas of interest.

The CuDeco geological team is satisfied that the current drill-hole database has met its original objectives.

Forward Exploration Programme

Major geological objectives have now been achieved within the main areas of mineralisation, and sufficient resources defined to sustain the first ten years of mining operations at a production rate of 3 million tonnes per annum. Our focus has now turned to the Company's numerous exploration targets, the drilling of which is projected to continue for at least 5 years based on the current list of geochemical, geophysical and various other high-priority target areas identified for exploration activities.

Exploration targets include extensions of Las Minerale, Le Meridian, Rocklands Central, Rocklands South, and Southern Siltstone orebodies. Parallel zones of mineralisation offset to Las Minerale, to the north and south, where surface geochemical analysis, shallow drilling and geophysical anomalies, indicate mineralisation may exist below the extent of existing drilling, will also be drill tested.

Major Goals Achieved in Phase-2 Bulk Sample Testing of Rocklands Ore - Single Circuit Flow-Sheet Confirmed to Efficiently Treat All Rocklands Ore Types - Average Head Grade for All Ore Types (Phase 2) = 3.95% CuEq

Results of the Phase 2 (35 tonne) bulk-sample test-work at NAGROM, represent the culmination of 4 years of exhaustive metallurgy investigation and provides both "proof of concept" and practical, large pilot-plant scale stress-testing of the circuit design, proposed to achieve the highest possible recovery rates of saleable products from Rocklands Ore.

AVERAGE HEAD GRADE FOR ALL ORE TYPES - PHASE 2 (35 TONNES) = 3.95% CuEq*

(**CuEq result includes Cu (2.92%) and Co (842ppm) and partial Au (0.57ppm - from primary ore only)...remaining Au and magnetite results not yet available*)

Figure 5: Various products from bulk-sample test-work (from left to right); large native copper nuggets (+40mm), smaller native copper nuggets (+4mm-40mm), flotation froth (primary circuit - chalcopyrite), flotation froth (primary circuit - chalcocite), magnetite separation.

Five saleable products recoverable to specifications suitable for end users in a single circuit flow-sheet;

Copper, Cobalt, Gold, Sulphur, Magnetite

Recoveries;

Native Copper Ore
98% recovery of +1mm native copper from ore sample
94.1% recovery of -1mm native copper prior to milling

Primary Ore
94.3% Copper recovery
90.3% primary Cobalt recovery
85.0% Magnetite recovery to magnetic separator rougher concentrate

Chalcocite Ore
85.0% Copper recovery
75.9% primary Cobalt recovery
90.5% Magnetite recovery to magnetic separator rougher concentrate

Process Fine Tuning and Remaining Test-work Currently Underway, with Further Improvements Expected.

Sample material included the primary chalcopyrite/cobaltic-pyrite, chalcocite, and native copper ores. Processes tested included primary, secondary and tertiary crushing, screening, gravity, milling, flotation and magnetite separation steps on a large pilot-plant scale. Over 35 tonnes of material was obtained from 3270m of PQ (83mm) Diamond Drill Core, taken from the main ore zones (see Figures 49 & 50).

CuDeco is nearing the end of an exhaustive process of testing of the three main Rocklands ore types using large-scale pilot-plant and small scale, full-size process plant equipment, with outstanding results.

Figure 6: +4mm native copper nuggets (maximum size approximately 40mm), sitting in the collection tray after passing through the alljig® continuous jigging separation process

A significant and robust investigative process has been conducted over the last 4 years, to develop a process flow-sheet for the treatment of Rocklands ores. The investigative work involved various scales of bench and pilot work, which has culminated in the design by CuDeco of a single flow-sheet for the treatment of the three Rocklands ore types. The flow-sheet developed by CuDeco uses available technology, in innovative ways, to treat the three very different ore types.

CuDeco designed and commissioned the extensive test-work programme, which was conducted at the NAGROM pilot-plant facilities in Perth, Western Australia.

It should be noted that in considering the highlights of this work, pilot-plant testing is the most problematic of the three main processing regimes. The best results of any processing operation are usually produced in the following order:

1. Full-scale process plant (highest recoveries expected)
2. Laboratory (higher recoveries expected)
3. Pilot-plant (lower recoveries expected)

To achieve such high recovery results at the pilot-plant stage is considered extremely encouraging for the eventual results from the full-scale plant.

Highlights:

Native Copper Ore

- recovery of +1mm native copper from ore sample 98%
- separation efficiency for +1mm native copper 95%
- recovery of -1mm native copper prior to milling by spirals and Knelson Concentrator proven feasible
- recovery of -1mm native copper prior to milling 95%

Primary Ore

- overall copper recovery to concentrate 94.3%
- final copper (chalcopyrite) concentrate grade 34.4% Cu
- no deleterious elements identified that would attract penalties from end users

- primary cobalt recovery 90.3%
- final pyrite concentrate grade 5,600ppm Co
- overall magnetite recovery to magnetic separator rougher concentrate 85.0%

Chalcocite Ore

- overall copper recovery to concentrate 85.0%
- final copper (chalcocite) concentrate grade 56% Cu
- overall cobalt recovery to pyrite concentrate 70%
- final pyrite concentrate grade 3,500 ppm Co
- overall magnetite recovery to LIMS rougher concentrate 90.5%

Process Flow-sheet

- proposed flow-sheet successfully treated 5.52 tonnes of representative primary ore
- proposed flow-sheet successfully treated 4.68 tonnes of representative chalcocite ore
- proposed flow-sheet currently successfully treating 10 tonnes of native copper ore
- High Pressure Grinding Rolls (HPGR) successful as primary comminution process, for all three ore types
- Continuous jigs proven to produce high purity native copper metal stream at high recovery levels
- Spiral and Knelson concentrator tested for fine copper recovery
- proposed flotation scheme works for the three ore types
- representative batches of concentrates (chalcopyrite, chalcocite, pyrite/ cobalt and magnetite) produced for marketing
- native copper nuggets and fines concentrate produced for marketing
- representative batches of all product streams produced for further testing, eg Dangerous Goods classification, toxicology and for developing a Material Safety Data Sheet for Rocklands concentrate products

Figure 7: Native copper ore (native copper = 99.65% Cu)

Figure 8: Chalcocite Ore (chalcocite = 79.9% Cu)

Background

NAGROM were chosen because they are recognised for their specialist knowledge in the gravity separation processes required for the native copper recovery, and were also in the process of installing a continuous large pilot-scale jig, manufactured by German company, allmineral, which was required to demonstrate the process for the recovery of coarse copper nuggets.

The test program being conducted at NAGROM's pilot-plant facility is currently approaching its conclusion, with completion due in the next few weeks. The results reported here are preliminary and are subject to the final project report being issued by NAGROM.

Generally speaking, the Rocklands orebody is characterised by a top layer of native copper ore containing primarily native copper, some oxidised ore and

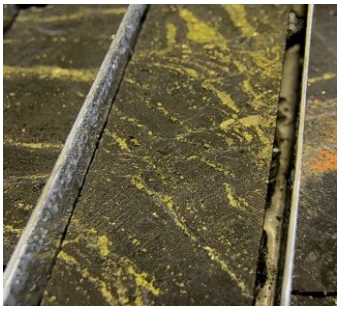

Figure 9: Primary ore (chalcopyrite = 34.6% Cu)

Figure 10: NAGROM Continuous Pilot 'alljig® '

Figure 11: NAGROM Magnetic Separator Pilot-plant

some sulphide ore, followed by a layer of chalcocite ore and subsequently the primary ore.

The ore is also characterised as having a significant, but variable amount of cobalt, gold and magnetite present throughout each of the ore types.

The challenge in developing a process flow-sheet lies in the variety of valuable minerals present and products to be produced;

- native copper metal and possibly an oxide copper concentrate;
- copper concentrate (containing the sulphide copper minerals with gold and silver);
- pyrite concentrate (containing the cobalt and some gold and silver) and
- magnetite concentrate.

After significant developmental work, a conceptual flow-sheet was derived. The concepts for each of the stages were then tested at various, relatively small scales. The final step in the development of the flow-sheet was to collect a representative large-tonnage sample of each ore type and treat the ore through the stages of the flow-sheet in the pilot plant, where each unit operation in the flow-sheet can be modelled using mini sized process unit replicas, and the performance checked and compared to the bench scale and other data.

The objectives of the pilot testing were to:

- demonstrate the HPGR as the primary comminution process for the three ore types
- demonstrate the separation of the native copper ore by jigging, in a continuous jig
- demonstrate fine native copper recovery prior to milling
- further investigate the milling of the native copper ore
- demonstrate the recovery of magnetite
- simulate the proposed flotation scheme for all three ore types on a larger scale
- collect design data for the subsequent plant design
- produce larger representative samples of the product streams for marketing and for further testing

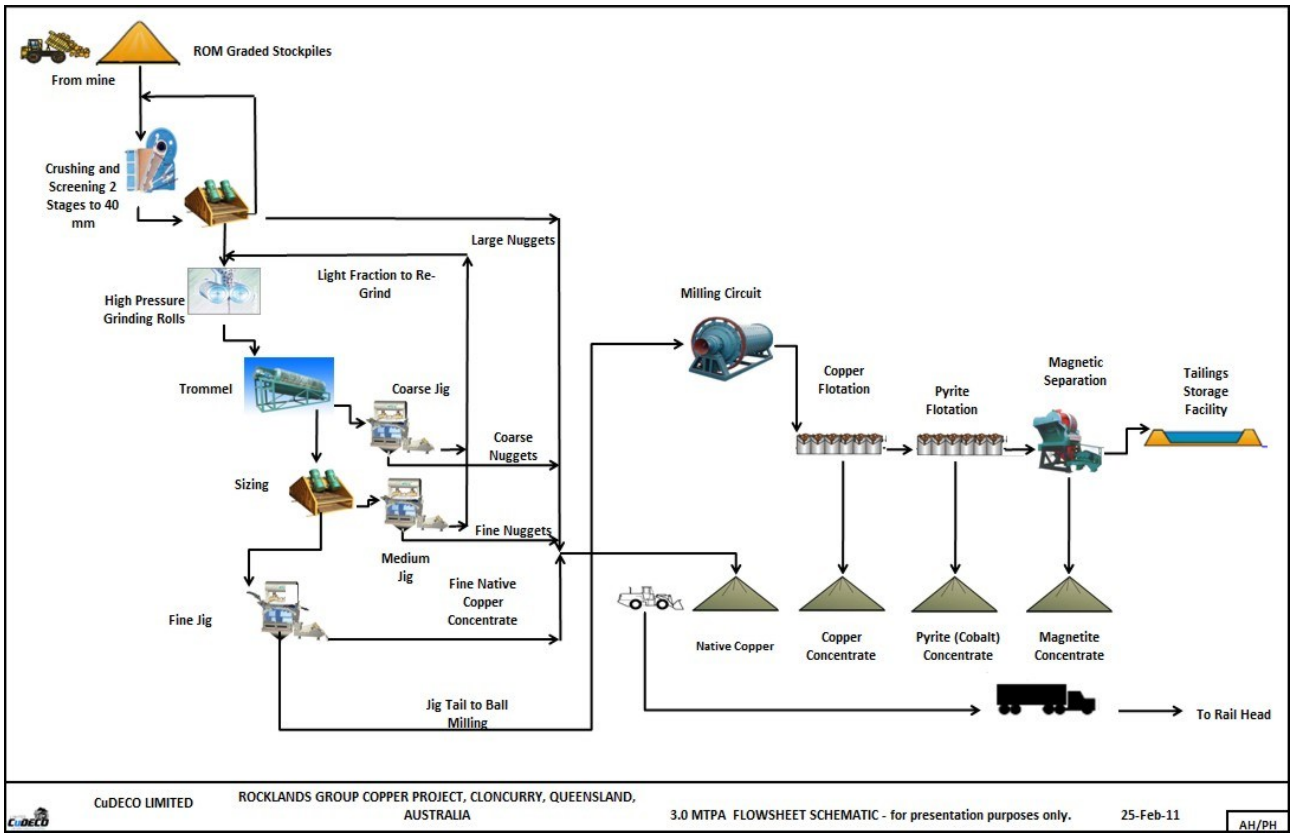

Figure 12: Process flow-sheet

Put simply, the intent of the pilot testing is to model the conceptual flow-sheet to determine if any unexpected developments are encountered with the ore being treated, or in the process being tested.

To-date there have been no unexpected developments encountered in any of the test-work.

Flow-sheet

The flow-sheet developed by CuDeco, for the treatment of the Rocklands ore, is shown in Figure 12. This flow-sheet and processing route was used for each of the ore types.

Native copper ore is the first ore type scheduled to be mined, and will need to be pre-treated through a gravity circuit to remove the native copper, and then subsequently be milled and pass through flotation to recover any sulphide copper present in the native copper ore. Minor native copper is also present in the

Figure 13: Product from Trommel (left), Static Test alljig® (centre) and +4mm Native Copper Concentrate Product (right)

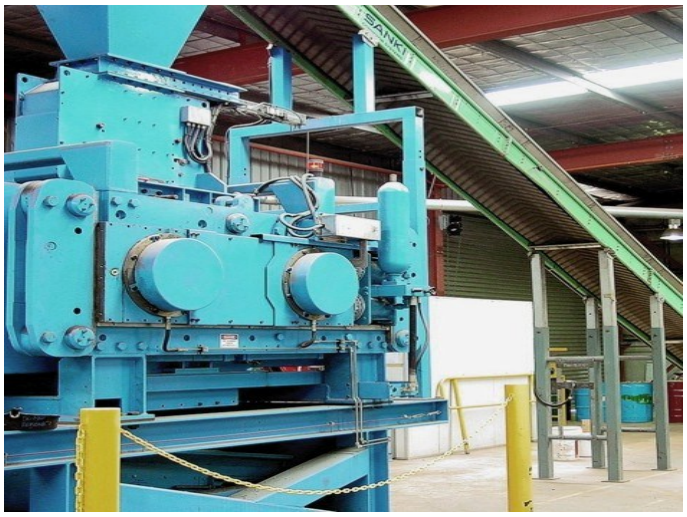

Figure 14: High Pressure Grinding Rolls (HPGR)

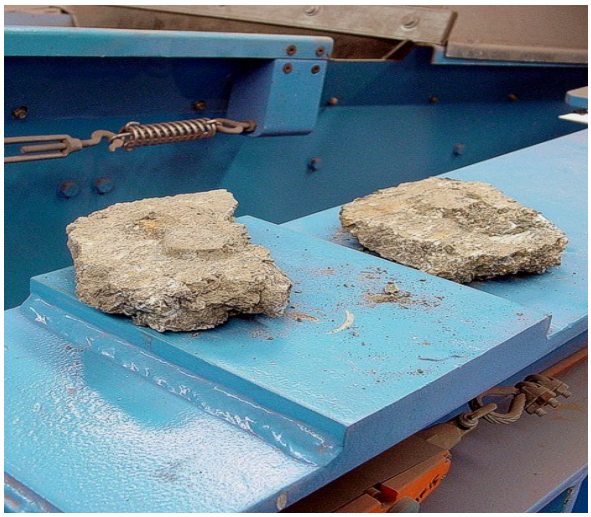

Figure 15: HPGR Flake Product

chalcocite ore, which will also be processed through the gravity circuit. It is expected that once the native copper ore zones are exhausted, the gravity circuit will become redundant and will be by-passed.

Size Reduction, HPGR and Native Copper Nugget Liberation

Jaw crushers were selected for the primary crushing of the ore. In developing the flow-sheet, the HPGR was selected for final crushing as it best liberates the native copper nuggets and allows for their recovery. It was found in the Phase 1 bulk test programme (5 tonnes), that the action of the HPGR seemed to “flex”, but not deform or flatten the copper nuggets, and allow the matrix rock to break away cleanly from the nugget. The success of this process was confirmed in the Phase 2 bulk test programme (35 tonnes).

Most importantly, the Phase 2 program demonstrated that the HPGR process could also effectively be used for the chalcocite and primary ore types as the secondary comminution process. In fact, one HPGR supplier described the CuDeco application as the “perfect application of HPGR”, as the liberation of the native copper can be achieved and the properties of the other ores are also amenable to HPGR. The HPGR process has the added advantages of lower capital and operating cost than a SAG mill, which is conventionally used in this application.

Gravity Circuit

The gravity circuit, for the recovery of native copper, will follow the HPGR process for the native copper ore and a portion the chalcocite ore. From the HPGR the ground ore is in the form of a compacted cake, which is then broken up by a wet trommel. From the trommel the ore is screened into a number of close size fractions to improve the efficiency of the jigging process.

The jigging process to recover the coarse (+1mm) native copper nuggets was demonstrated on a continuous pilot alljig® machine supplied by allmineral. Previously, in the first bulk trial, the jigging process had been demonstrated on a static jig.

Ideally, the fine native copper (-1mm) also needs to be recovered prior to the milling process, to ensure that native copper is not accumulated in the mill. Again gravity processes will be used. Two processes were trialled for this duty, the Knelson concentrator and spirals. Both of these units performed well in this duty.

Once the native copper ore has been depleted and the plant is treating only chalcocite or primary ore, it is envisaged that the gravity circuit will be by-passed.

Figure 16: OneSteel's "Iron Duke" 3mtpa haematite concentrator, which uses "alljig® " gravity jigs to separate product from gangue material (waste), was visited by the metallurgy team in 2010. In spite of a density difference of just 1.3g/cm3, (product density 4.5g/cm3 and waste density 3.2g/cm3), successful gravity separation of product from waste is achieved at the rate of approximately 85%. At Rocklands, with a product density of 8.9g/cm3 for native copper and approximately 3g/cm3 for waste material, separation results are expected to be very high, as proven in this bulk test programme

Milling

For the primary ore and majority of the chalcocite ore, the HPGR product will pass through the trommel. The oversize material will be returned to the HPGR and the undersize being the feed to the mill.

Milling of the ore to a size that is suitable for flotation will be carried out in a conventional ball mill.

In the current test program, the primary and chalcocite ores were successfully milled. The native copper ore was pre-treated to remove any fine native copper prior to milling due to historically reported problems with native copper accumulating in mills at other operations. It is apparent that the removal of the fine native copper was highly successful, as there was very little residue of copper in the mill when the mill was dismantled after milling the 10 tonnes batch (see Figure 18).

Figure 17: example of a ball mill, (Alcoa, Pt Henry), which grinds ore into fine powder, suitable for flotation

Figure 18: small amounts of residual native copper remaining after milling 10 tonnes of ore, indicating pre-treatment to remove the fine native copper prior to milling was successful

Flotation

Due to the size of the sample to be treated through flotation, a batch-continuous approach was used. Relatively large batches of slurries produced from the milled ore were processed through a pilot flotation machine, with reagent additions and process conditions proportional to a full scale operation.

The complex layout of the flotation circuit is shown in Figure 51. The reason for the relative complexity is due to the need to separate two types of minerals in subsequent steps. Initially, copper sulphides are recovered and flotation of pyrite is suppressed. The copper concentrate collected in the roughing stage is then reground and passed through a cleaning circuit where conditions are adjusted to promote copper mineral flotation and further suppress pyrite flotation. Post copper recovery, the conditions of flotation are altered in the subsequent stages to promote pyrite recovery.

Figure 19: Removal of magnetite via Magnetic Separator

Magnetic Separation

During the first bulk trials in June 2010 a significant amount of magnetite was noted to be present in the sample during processing. A recovery step was subsequently included in the conceptual flow-sheet. During the current testing program, it has been demonstrated that a magnetic rougher concentrate can be produced from the tailings stream, at high recovery.

At this stage, until marketing specifications are finalised, only a roughing stage was considered for the magnetite recovery.

Preliminary Results

Whilst preliminary in nature, it is possible to report some of the results from the test program. These results will be subject to the final report being issued by NAGROM, once testing is fully complete and all of the data analysed. Some data will not be available until after completion of the test program and submission of samples for analysis, an example of this will be gold deportment – sample selection and assaying will be done post the test program as the assaying will be done by a specialist assay laboratory.

The samples - Phase 2 Bulk Sample Test-work

The native copper sample consisted of PQ diamond drill core from 32 holes, from across the native copper zone (a total of 25 tonnes of core was provided). The full 25 tonnes was crushed and put through the

HPGR, with 10 tonnes treated and the remaining 15 tonnes kept in reserve for additional work. The head samples contained a total of 3% Cu (2.33% Cu as native copper and 0.67% Cu as sulphide copper). The cobalt content was 660ppm. However as found with the previous bulk sample test of the native Cu ore, representative sampling of nuggety deposits on a large scale is extremely difficult and a higher final grade is expected.

The chalcocite sample came from 36 holes, for a total of 4.68 tonnes. The head assay was 4.68% Cu and 1,340ppm Co.

The primary ore sample came from 17 holes, for a total of 5.52 tonnes. The head assay was 1.27% Cu and 750ppm Co.

Native Copper Ore

The native copper ore sample was crushed in conventional jaw crushers, down to a HPGR feed size of 40mm. Crushing was done in closed circuit with a screen and the oversize returned to the crusher. Any large nuggets that could not pass through the screen were scalped.

After crushing the sample was put through the HPGR. From the HPGR the sample was homogenised and the 10 tonne sample was cut out. The 10 tonne sample was put through a wet trommel and screens to separate the ore into the size fractions for jigging. The sized samples were put through the continuous jig separately. The relative fractions of copper nuggets in each size fraction are given in Table 1.

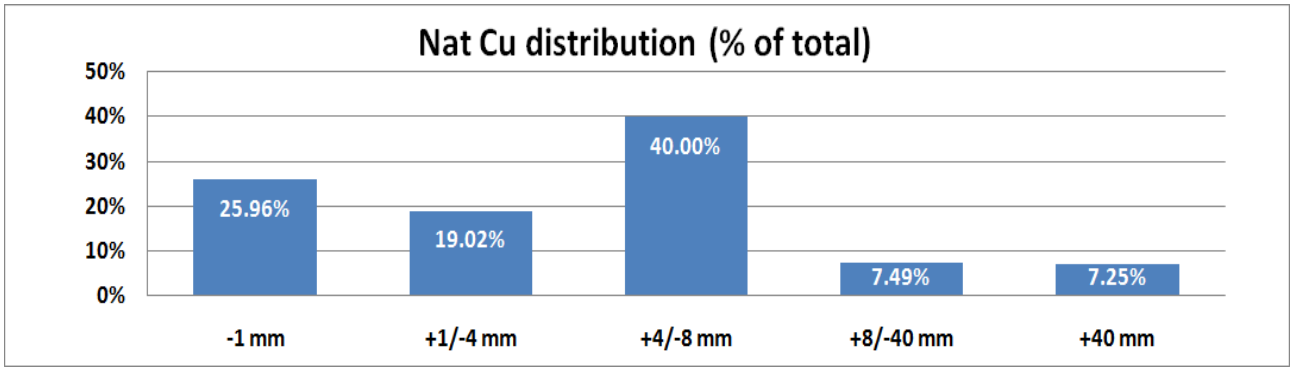

Table 1: ratio of native copper fractions

Figure 20: +4/-8mm native copper nuggets moving (left to right) through continuous alljig® screen, tipped into collector at right

Figure 21: Native Cu nuggets scalped from screening of the HPGR feed (+40mm)

On the basis of results from both the Phase 2 and Phase 1 bulk sample test-work, it is apparent that the majority of the native copper occurs as nuggets (+1 mm), is predominantly coarse, and readily recoverable by jigging. The jig provided high recoveries and separation efficiencies. Recovery of the native copper to the heavy fraction was over 98% in each of the size fractions. The high separation efficiency of the jigging process (measure of non-copper in the heavy fraction), which was over 95% in each of the fractions, is due to the large density difference between copper nuggets and the remaining ore material.

The “light fraction” from the jigs is the material that is not native copper. This material was recycled to the HPGR for reduction in size prior to flotation. This material may contain some of the sulphide copper components and may also contain very fine copper native copper fragments that had not been liberated in the initial pass through the HPGR.

The separation of the native copper particles from the -1 mm fraction has been trialled in two processes;

- a spiral, and
- a Knelson Concentrator

Figure 22: Primary copper ore (chalcopyrite contains 34.6% Cu) in diamond drill core LMDH013 (approx. 20-21m shown)

Figure 23: Flotation of primary copper ore chalcopyrite

Both have been shown to be effective on small batches, but in the trial a larger batch of material was used to assess the capability of the two processes to achieve the recovery required. The testing on these processes showed that greater than 95% recovery of the native copper fines can be achieved prior to the milling of the ore.

Flotation and magnetic separation of the native copper ore sample is still in progress.

Primary Ore

Primary crush and HPGR crushing and screening of the primary ore sample were completed successfully.

The ore sample was treated using the flotation scheme as shown in Figure 51. The head sample contained ore from all of the lithologies and represented a blend across the ore bodies. The sample was relatively low in Co content.

Good recoveries of copper (94.4%) to concentrate were achieved and good clean final concentrate (34.4% Cu) was produced. Recovery of cobalt in the roughing phase was 90.3% and a pyrite concentrate grade of 5,600ppm Co was achieved. Scope exists for optimising the grind size and reagent regime to improve this recovery and grade, for which work has already commenced.

Magnetite recovery from the tails was first trialled on the primary ore tailings and a good clean “rougher” magnetic concentrate was produced. Good recovery, at 85% was achieved. The “rougher” magnetite will need to be ground finer and cleaned to produce a high grade magnetite.

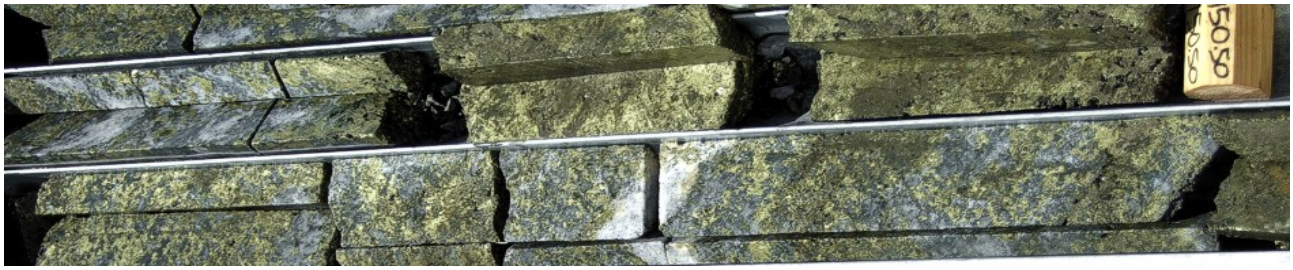

Figure 24: primary copper ore (chalcopyrite) in diamond drill core LMDH052 (approx 149.5m-151.5m shown)

Figure 25: Copper ore (chalcocite), in diamond drill core DODH078 (blue-grey colour)

Figure 26: Flotation process - chalcocite (chalcocite contains 79.9% Cu)

Chalcocite Ore

Crushing, screening and HPGR of the chalcocite ore sample was completed successfully.

Again, the ore sample was treated using the flotation scheme shown in the Figure 12. The sample was a blend of ore from across the ore body.

Good recovery of copper (85%) was achieved, along with a good copper concentrate grade (56.0% Cu). Cobalt recovery in the roughing phase was considerably higher than expected at 75.9%. The cobalt grade in the pyrite concentrate was 3,500 ppm Co.

Magnetite recovery for the chalcocite tailing was also trialled, and although the level of magnetite in the tailings were lower than in the primary ore, the recovery was much higher, greater than 90%. Again, only a rougher magnetite concentrate was produced and this will require further grinding and cleaning to produce a final product.

Sulphur Co-product From Cobalt/Pyrite Concentrate

The pyrite concentrate (cobaltic-pyrite), represents a valuable commodity for CuDeco because of two valuable contained components; cobalt and sulphur.

The off-take agreement recently announced to the market (ASX announcement, 27th April 2011), includes payment for both cobalt, for extraction and processing into saleable cobalt metal or chemical product, and sulphur, for processing via roasting and production of sulphuric acid.

The "sulphur credit" is factored into the current 'cobalt price' used by the Company for calculation of copper equivalent values.

Figure 27: Panned Chalcopyrite/Cobaltic-Pyrite Concentrate

Figure 28: Traditional oxide ore intersected near surface in diamond drill hole DODH017 (approx. 6.7m - 9.0m shown)

Traditional Oxide Copper Ore

Oxide copper ore (including copper carbonate minerals malachite and azurite), forms in a relatively thin "oxide blanket" in the outcropping and/or sub-cropping Rocklands orebodies.

Based on the 2011 Updated Resource Estimate (see ASX announcement 25 May, 2011), there is less than 1.3m tonnes of traditional oxide material at Rocklands, representing less than 4.5% of the planned 10 years, 3mtpa mining operations.

Copper oxide "carbonates" typically float to reasonable recoveries (+/- 65%), and will be tested once the current magnetite and gold deportment trials are completed.

Summary of Preliminary Bulk Trial Results

	Primary Ore	Chalcocite Ore	Native Copper Ore
Head Sample			
Sample Size Treated (tonnes)	5.52	4.68	10
%Cu native	0%	0%	2.33%
%Cu sulphide	1.27%	4.68%	0.67%
%Cu total	1.27%	4.68%	3.00%
ppm Co	750	1,340	660
Copper Concentrate			
%Cu	34.40%	56%	N/A
Overall Copper Recovery (%)	94.30%	85.00%	N/A
Pyrite (Cobalt) Conc.			
ppm Co	5,600	3,500	N/A
Primary Cobalt Recovery (%)	90.30%	75.90%	N/A
Magnetite			
Magnetite in Head (%)	14.80%	6.45%	N/A
Magnetite Recovery (%)	85.00%	90.00%	N/A
Native Copper			
+1mm Recovery (%)	N/A	N/A	98%
-1mm Recovery (%)	N/A	N/A	94.10%

Forward Programme

The current 35 tonne bulk sample test program is nearing completion.

The physical processing of the primary ore and chalcocite ore is essentially completed. The jigging and recovery of the native copper has been completed. Flotation of the native copper ore will be completed along with the magnetic separation of this ore.

Post-test-work analysis will be ongoing, and involve further refinements and laboratory test-work, in preparation for the construction and commissioning of the full-scale process plant at Rocklands, where further improvements on recoveries are expected.

High-grade Gold Intersected at Wilgar, with Visible Gold and Possible Tellurides Recorded in Diamond Drill Core - Bonanza Gold Grades up to 655g/t

Exploration diamond drill hole DODH223 returned exceptional results over significant widths (including bonanza gold grades), within a highly-altered zone intersected from 14-38m down-hole width (approximately 15m true-width). Visible disseminated gold was observed over several metres...*see ASX release 20 May 2011.*

The highly-altered zone is interpreted to be associated with a principal source of mineralisation at Wilgar and remains open along strike to the north-west and at depth.

The high-grade gold assay results for diamond drill hole DODH223, include a record result for gold at Rocklands that is approximately 10 times the previous record of 63.2g/t Au, which was also intersected at the Wilgar prospect.

Significant zones of silver and tellurium were also intersected within the interpreted zone (see next page for results), providing evidence that gold is strongly associated with tellurium (possibly the gold-telluride calaverite). Gold-tellurides are responsible for some of the richest gold ores in the world.

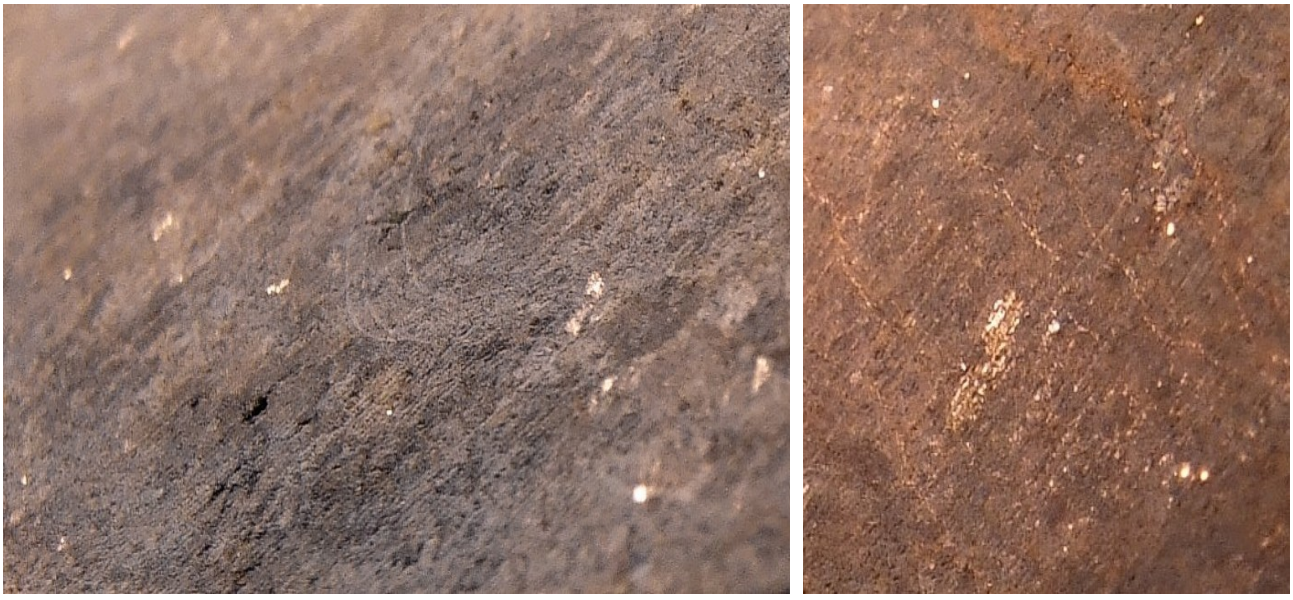

Figure 29: Disseminated visible grains of gold associated with highly-altered vein intersected in diamond drill hole DODH223m from 14 - 38m (photos from approximately 17m down-hole depth). The hole was drilled to test high grade zones identified from bedrock drilling. See next page for results

Results of Diamond Drill Hole DODH223

Gold (Au):

Intersected **20m @ 36.5 g/t Au** (1.17 ounces of gold per tonne from 14-34m)
Including **7m @ 102 g/t Au** (3.28 ounces of gold per tonne from 14-21m)
Including **5m @ 142 g/t Au** (4.57 ounces of gold per tonne from 14-19m)
Including **3m @ 229 g/t Au** (7.34 ounces of gold per tonne from 16-19m)
*Including** **1m @ 655 g/t Au** (21.06 ounces of gold per tonne from 16-17m)

** gold results include total leachable gold and gold in residue.*

Silver (Ag):

Intersected **20m @ 59.3 g/t Ag** (1.91 ounces of silver per tonne from 14-34m)
Including **7m @ 71.7 g/t Ag** (2.31 ounces of silver per tonne from 14-21m)
Including **5m @ 44.7 g/t Ag** (1.44 ounces of silver per tonne from 14-19m)
Including **3m @ 38.6 g/t Ag** (1.24 ounces of silver per tonne from 16-19m)
Including **1m @ 6.1 g/t Ag** (0.20 ounces of silver per tonne from 16-17m)

Tellurium (Te):

Intersected **20m @ 251 ppm Te** (from 14-34m)
Including **7m @ 679 ppm Te** (from 14-21m)
Including **5m @ 854 ppm Te** (from 14-19m)
Including **3m @ 1110 ppm Te** (from 16-19m)
Including **1m @ 2670 ppm Te** (from 16-17m)

Figure 30: Disseminated visible grains of gold associated with highly-altered zone intersected in diamond drill hole DODH223m from 14 - 38m (photos from approximately 17m down-hole depth)

Additional Mineral Liberation Analysis (MLA), will focus on identifying the specific telluride minerals thought to be associated with the high-grade gold results at Wilgar.

Due to the identification of visible gold in the drill core, and potential presence of telluride based minerals, advice was sought from our independent, accredited lab SGS Laboratories, Townsville, regarding the most appropriate process to ensure representative determination of gold content. It was decided that large sample LeachWell cyanide leach assay method was best used in conjunction with the standard Fire Assay method, and associated gravimetric analysis.

The LeachWell cyanide assay method is considered the most appropriate to ascertain the 'extractability' of gold, (the maximum practically leachable gold), from these particular samples and also facilitates the testing of nugget-effect of Wilgar gold by incorporating "whole of sample analysis". Standard Fire Assay, commonly used for analysis of Rocklands samples to determine gold content, was also conducted on the samples using appropriate sample preparation for high-grade gold, to provide comparative analysis of the intervals in question.

Gold content determinations using the different assay methods, confirmed the validity of the high-grade results.

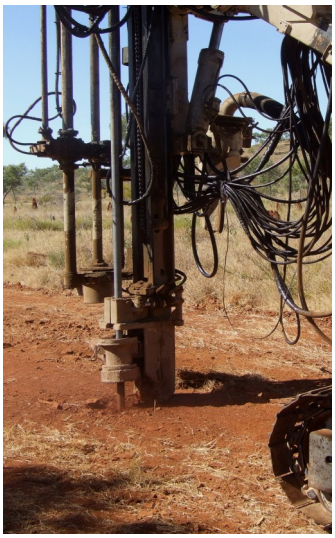

Figure 31: Rotary Air Blast (RAB) drill rig - rock chips are logged and sampled every metre down-hole, including the last metre of hard bedrock. Each hole ends once it has drilled into approximately 1m of bedrock, typically encountered at depths of 2 to 14 metres at Wilgar

Bedrock Drilling Doubles The Footprint of Exotic and Precious Metals at Wilgar With Assays up to 173g/t Silver, 15.6g/t Gold and 6260ppm Molybdenum

Bedrock drilling at Wilgar is testing the soil cover from surface down to the first intersection of hard bedrock, on a 2m x 2m grid basis. Every metre is logged and assayed, including the last metre of hard bedrock.

High resolution bedrock drilling density is being used at Wilgar, designed to reveal the subtle imprinting of source geochemistry and originally emplaced bedrock that can remain in the highly weathered surface profile, especially immediately adjacent to the source rock.

The geological team view the results from Wilgar as nothing short of spectacular for a regolith (including soils), based programme, where results are typically measured in the parts per billion (ppb) range, but at Wilgar we are reporting results considered high even for a parts per million (ppm) programme range.

In combination with a limited RC and diamond drilling programme, a picture is finally starting to form of the trend, (strike & dip), and morphology of the near surface mineralisation at Wilgar.

The most recent Wilgar bedrock programme intersected significant mineralisation in 100 bedrock drill holes, from a total of 319 holes, adding to an already impressive positive hit rate.

Results from Bedrock/Soil Drilling Programme at Wilgar;

Silver Intersections
390 one metre samples assayed more than 20g/t Ag
228 one metre samples assayed more than 30g/t Ag
65 one metre samples assayed more than 50g/t Ag
Highest grade intersection of one metre @ 173g/t Ag

Gold Intersections
435 one metre samples assayed more than 0.20g/t Au
217 one metre samples assayed more than 0.50g/t Au
99 one metre samples assayed more than 1.00g/t Au
39 one metre samples assayed more than 2.00g/t Au
Highest grade intersection of one metre @ 15.60g/t Au

Figure 32: "Mozzie" clearing pads in difficult terrain at Wilgar. Limited access has hindered the exploration effort at Wilgar somewhat, with steep topography and rocky conditions severely limiting options for drill hole locations. A series of drill-pads are currently being cleared, to facilitate drilling from previously inaccessible locations

Tellurium Intersections
73 one metre samples assayed more than 50ppm Te
69 one metre samples assayed more than 100ppm Te
26 one metre samples assayed more than 250ppm Te
Highest grade intersection of one metre @ 990ppm Te

Molybdenum Intersections
57 one metre samples assayed more than 500ppm Mo
29 one metre samples assayed more than 1000ppm Mo
12 one metre samples assayed more than 2000ppm Mo
Highest grade intersection of one metre @ 6260ppm Mo.

Note: 1ppm = 1g/t

It must be remembered that the bedrock results are predominately from the regolith profile (including soils), from surface down to the bedrock, which varies from 2 to 14 metres in depth at Wilgar.

A number of deeper Reverse Circulation (RC) and Diamond Core drill holes have also been drilled at Wilgar over the past 3 years, with highly encouraging results that collectively are helping to put the pieces of the Wilgar puzzle together. Intersections of up to 63.2g/t gold, 3,200g/t Ag, 7670ppm Uranium and over 3% Molybdenum are among the more noticeable intersections encountered.

Another important element intersected at Wilgar is Tellurium which, when associated with gold and silver, often forms telluride minerals. Although tellurium is rarely found in its pure state, it is one of the few elements that chemically combines with gold to form natural stable minerals. Gold bearing tellurides are responsible for some of the richest gold deposits in the world and offer relatively simple extraction routes via cyanide leaching. Telluride based gold minerals are also found in Kalgoorlie, West Australia, which is recognised for containing the "richest mile of gold" in the world.

Diamond drill hole DODH223 was one of a series of holes specifically planned to test the spatial relationship between the various forms of exotic mineralisation identified from the ongoing bedrock drilling. The apparent success from this diamond hole will immediately see a follow-up diamond drilling programme undertaken, to further test the developing model. *See ASX release 21 April 2011 for detailed geological report on Wilgar.*

Off-take Agreement for Sale of Mineral Concentrates from Rocklands Group Copper Project Completed with China Oceanwide International Holdings Co. Ltd (China Oceanwide) and Oceanwide Subscribes for Shares in CuDeco to the Value of A$130 Million

CuDeco Ltd completed an Off-take Agreement with a new cornerstone investor, the Hong Kong based, China Oceanwide International Holdings Co. Ltd.

Figure 33: Example of typical bedrock hole. Using the Company's own RAB rig, the drill bit (hammer), pulverises rock into small chips, which are forced up to surface between the steel rod holding the hammer (string) and the outside of the open hole, under extreme air pressure. Material is collected from every metre, including the last metre which is drilled into hard bedrock, and bagged for logging and assay

Figure 34: The twin hills of Wilgar stand prominent in the north of the Rocklands EPM13049, approximately 800m south of the northern boundary

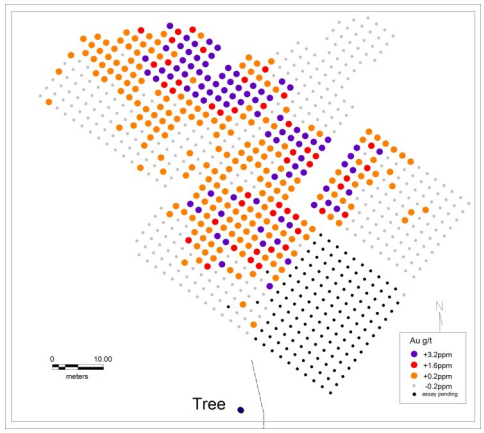

Figure 35: Wilgar bedrock grid plan view - Gold (Au)

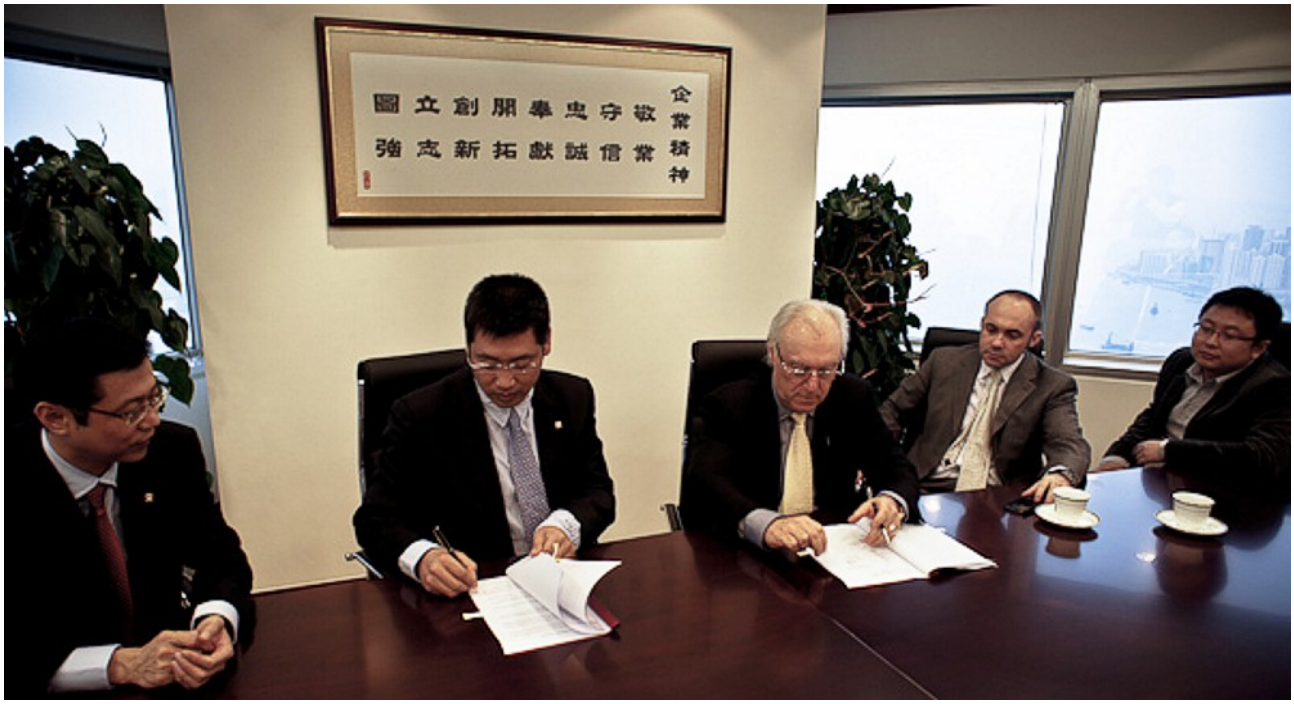

Figure 36: From left to right; Mr. Liu from Oceanwide, CuDeco Non-executive Director and Oceanwide Director Mr. Zhijun Ma, CuDeco Executive Chairman Mr. Wayne McCrae, Asian Business Development Manager Mr. Cameron McCrae and CuDeco Beijing Manager Mr. Zhu

The material terms of this agreement are;

a. China Oceanwide agreed to purchase a minimum of 60% of the total product from the Rocklands Project;

b. CuDeco has the right to sell the entire 100% of production to China Oceanwide but at CuDeco's future discretion. It is common within the industry to allow for 40% of the product to be sold on the spot market when copper/gold/cobalt prices fluctuate from time to time;

c. The term of the agreement is for 20 years;

d. Under the terms of the off-take Agreement, as well as purchasing the copper/gold concentrates, the buyer is also purchasing the pyrite/cobalt concentrates, which are anticipated to be approximately 200,000 tonnes per annum. On current prices the margin on the pyrite/cobalt alone is approx. $US805 per tonne. The pricing for the off-takes will be linked to the prices on the London Metals Exchange and the London Bullion Market Association.

In addition, Oceanwide, who had already subscribed to 6.25m shares @ $4.00 per share, according to the terms of the MOU agreed to subscribe to a further 14.95m shares @ $3.80 per share, entitling them to approximately 14.8% of the shares in CuDeco. Oceanwide complied with these terms and on 27th May, 2011, completed the subscription for the additional 14.95m shares @ $3.80 per share.

After the completion of this transaction, the cash position of CuDeco increased to $121m, with zero debt.

Subject to shareholder and FIRB approval the new group have agreed to subscribe for additional shares in the Company, which will entitle them to 19.9% of the total shares on issue in CuDeco.

CuDeco was locked in negotiations with a number of private and public entities interested in participating in the Rocklands Project, during which time the stock was placed in a trading halt to ensure a fully informed market at all times. It was important for CuDeco to have a cornerstone investor which was prepared to enter into the terms and conditions strictly required by the CuDeco Board, that would provide a premium value for shareholders, and not to just "do a deal for the sake of getting a deal". The incoming group required 4-6 weeks to complete a thorough and exhaustive due diligence that included geological, financial, management, historical and political evaluation, using Hong Kong and Australian Lawyers, Accounting and Audit firms. CuDeco had discussions with a number of groups in Hong Kong, China and Korea and the U.S. interested in participating in the Rocklands Project and, contrary to some reports, the financing of this project has never been an obstacle.

The Company also discussed the balance of the funding with our financial advisors Azure Capital Ltd. The new cornerstone investor has also offered to debt finance the project if required.

The terms of the off-take Agreement includes a guarantee from the group to purchase 100% of the product produced at Rocklands, which provides significant hedging against any softening of market demand. The agreement is a win-win for CuDeco and the cornerstone investor and is extremely favourable with respect to common off-take Agreements, but in some respects, differs from traditional off-take Agreements, with respect of providing timely funds transfer and adjustment. The Company was determined to link up with an investor that respected the value of CuDeco shareholders and the Rocklands project, and who took this into account over and above the market capitalisation as given by market valuations at any given time.

The negotiations were protracted and took longer than expected but were still within the maximum timeframe allowed under the MOU. The outcomes achieved by our negotiating team were well worth the wait. The Board was also mindful of CuDeco shareholders who, for personal reasons, may have wished to trade their securities during the voluntary suspension of CuDeco securities, but considered that the importance of the agreement to all shareholders warranted the security measures taken. We thank CuDeco shareholders for their patience in relation to these matters.

The agreement is a major milestone for CuDeco shareholders and one of many more to come in the near future.

Construction of New Sealed Bitumen Road Linking Rocklands Group Copper Project to Cloncurry

Major Road Works are underway to upgrade the access road to Rocklands (Corella Park Drive), to an "all-weather standard road" including reconstruction and bitumen surfacing of the entire distance between Rocklands and the heavy-haulage Burke Development Road that provides access to Cloncurry and Mt Isa.

Bitumen surfacing began early June, 2011.

Figure 37: First of several bitumen layers to be applied

Figure 38: Above; in an arrangement with the local Cloncurry Shire Council, CuDeco is contributing $2.2million towards the cost of upgrading Corella Park Drive to an all-weather, heavy-haulage bitumen road, which will facilitate year-round access to the Company's rail siding and loading facility in Cloncurry...and ultimately, access to international markets via the Company's Port of Townsville storage and loading facilities currently being developed

The road is being upgraded in an agreement between CuDeco and the Cloncurry Shire Council, as part of the Council's Local Roads Initiative, and will cater for heavy haulage vehicle access. The upgrade includes widening, addition of drains and culverts, construction of concrete creek crossings, intersections, signage and include a heavy duty bitumen surface and will also include turn-off and intersection adjustments required to access the main highway.

CuDeco is contributing $2.2million to the cost of the upgrade programme, in an excellent example of how a Mining Company can align its interests with the needs of the local community, for mutual benefit.

In addition to the obvious benefits to CuDeco, local graziers and pastoralists will also benefit from improved road access, especially during the wet season when many simply cannot gain any access to their properties due to flooding.

Oceanwide Applies to the FIRB to increase their shareholding in CuDeco to 19.9%

Oceanwide applied to the FIRB to increase their shareholding in CuDeco from approximately 12.5% to 19.92% by subscribing for an additional 15m shares in CuDeco at A$3.80 per share. Oceanwide have expressed to the Company an interest to increase their position to 30%.

Once the subscription is completed, Oceanwide will have subscribed for more than $130m in CuDeco stock and will be the largest shareholder.

The Company is pleased that after conducting an exhaustive due-diligence process, Oceanwide was satisfied to make such a large investment, at a premium to the current market price and may yet increase this further.

The Board of CuDeco welcomes Oceanwide as a cornerstone investor in the Rocklands Group Copper Project.

CuDeco Enters Into Memorandum of Understanding to Lease up to 900 Hectares to Construct a Multi-user, Multi-purpose Rail Load-out Facility Close to Cloncurry

CuDeco entered into a conditional Memorandum of Understanding (MOU) for the lease up to 900 hectares of land located outside the SE boundary of the Township of Cloncurry in Queensland, for construction of a multi-user, multi-purpose rail load-out facility (Facility). The area of land, the subject of the MOU, is located in the immediate proximity to the current Townsville/Mt Isa/Duchess rail line network & the Flinders Highway. The conditions for the MOU, if fully implemented, will entitle CuDeco to a lease over the land for 40 years. Although the CuDeco constructed Facility will require internal rail network and infrastructure including roads, water and power, the siting of the Facility means its operation will have a positive impact on the town itself.

Infrastructure and engineering consultants, Robert Bird Group (RBG) have been engaged to assist CuDeco with development of the Facility. Phase 1, which has commenced with the RBG design group,

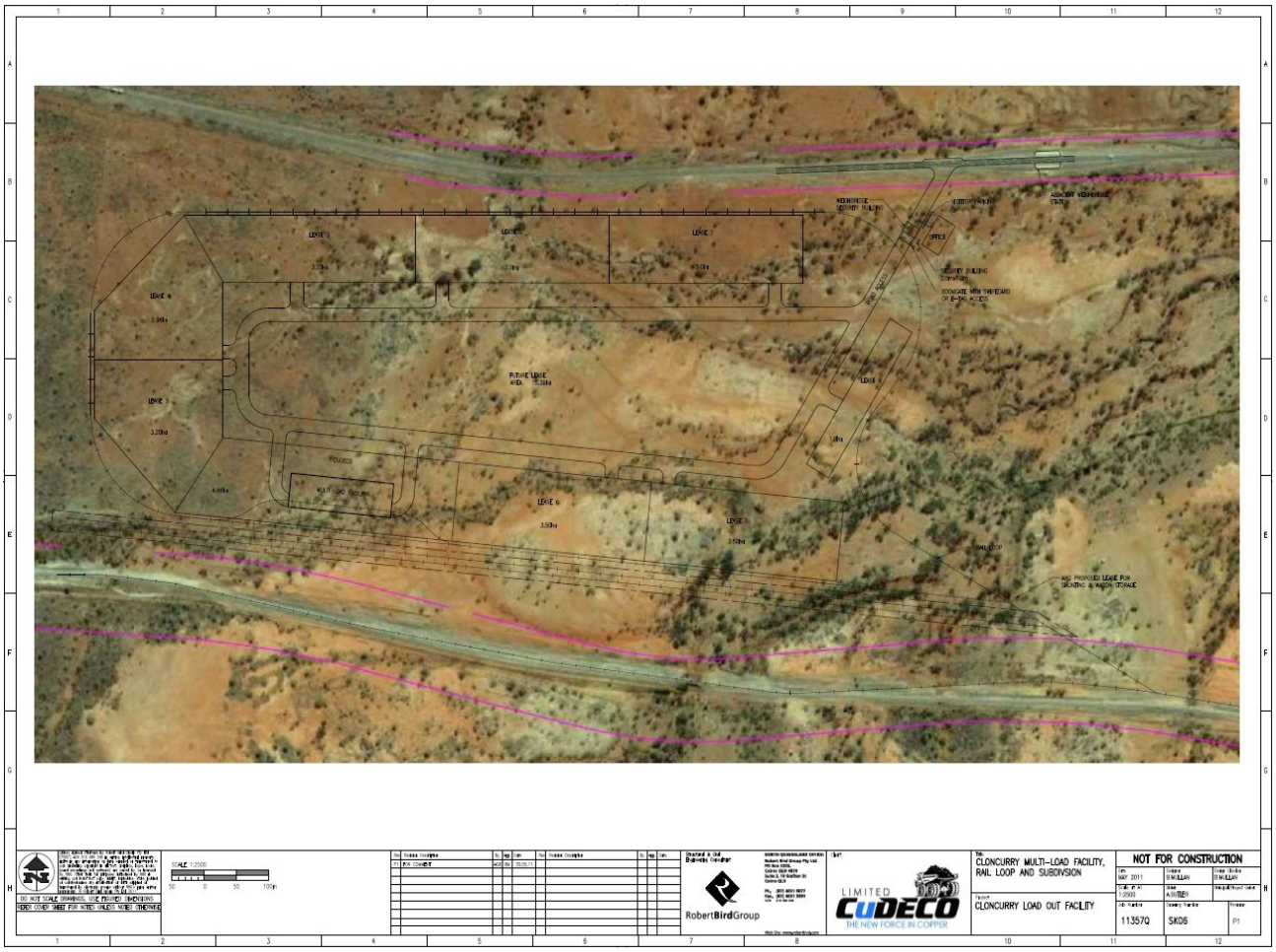

Figure 39: Detail of Cloncurry Multi-load Facility, Rail Loop Subdivision - Preliminary Design Layout

includes survey and engineering assessment of site layouts, general engineering arrangements, operational requirements and methodologies, the outcome of which will be agreed with CuDeco's infrastructure and logistical team to enable CuDeco's expectations and requirements to be incorporated into the project.

The Facility if implemented will be utilised for the rail shipment of products from CuDeco's Rocklands Group Copper Project, forecast to commence production in late 2012. Rocklands is expected to export up to approximately 350,000 tonnes of concentrates per year. The Facility is crucial for both CuDeco and the NW Queensland region. The Facility will also be designed to cater for third-party users.

It is anticipated that the Facility will be operated by CuDeco or a logistics/infrastructure contractor, and will be able to store more than 1.5 million tonnes of product at any one time. The rail loop component will allow for much greater cargo tonnages to be achieved on the existing Mt Isa / Townsville line.

Third parties will be required to construct their own storage sheds in allocated areas that will allow them to use the CuDeco rail network constructed on the site. Additionally third parties will be invited to utilise CuDeco's Port Facility at Townsville, which is in the final stage of granting approval of the Development Licence to construct a 200,000 tonne storage/rail unloading and ship loading facility.

The Company has already received several enquiries from interested third parties requesting participation in both the Cloncurry and Townsville rail load and unload rail facilities. CuDeco believes that, if implemented, it will see the Facility fully tenanted by the forecast completion date. The Facility will

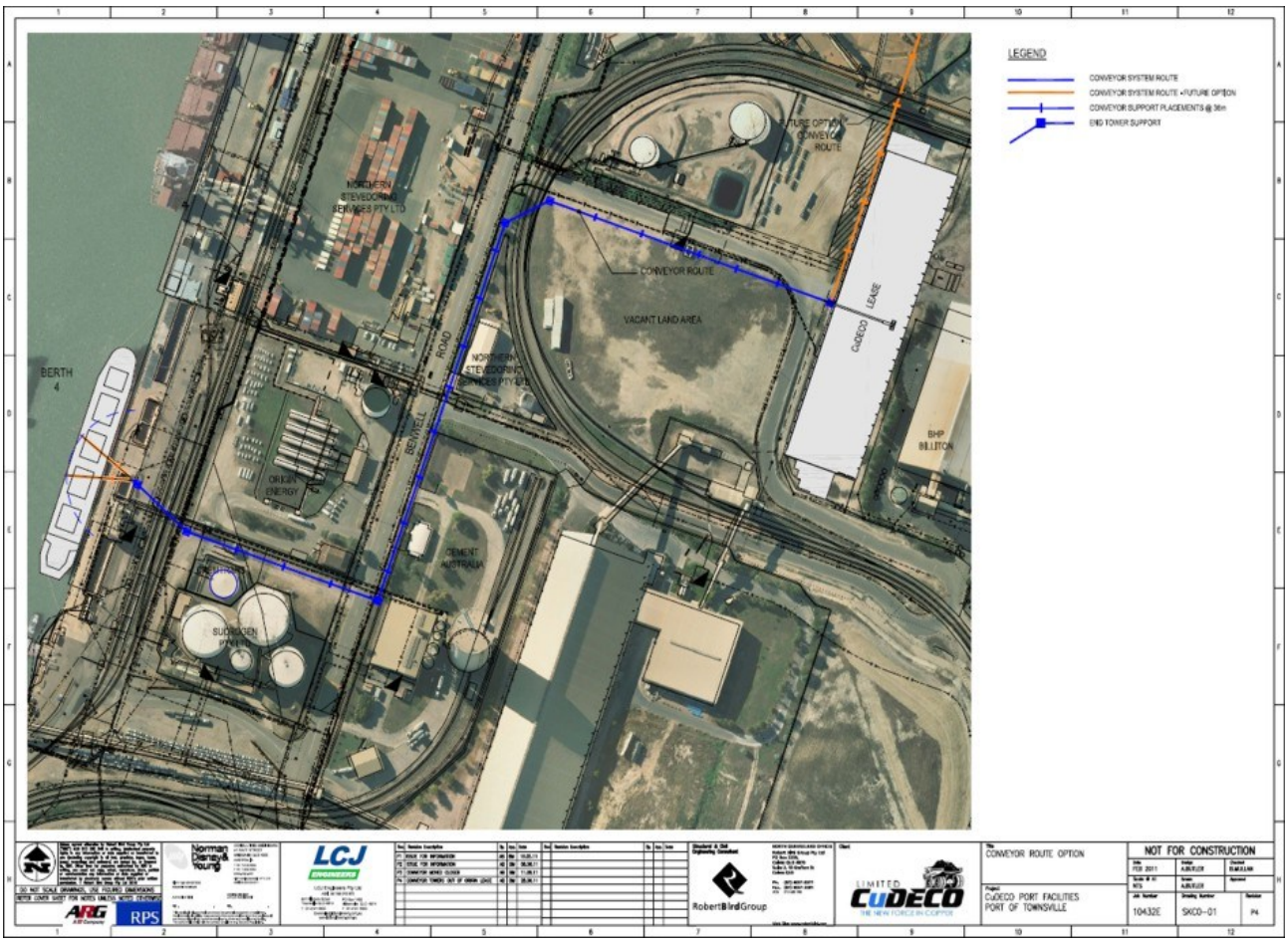

Figure 40: CuDeco Port Facilities, Port of Townsville - Conveyor Route Option

incorporate a design for further possible expansion to meet the expected additional output from new operations proposed to commence in the coming years. More importantly it gives CuDeco total control and security of its products being transported to the Port of Townsville from Cloncurry.

The development plan will consist of initially eight areas being allocated to various national transport companies and mining companies which operate in the NW Queensland region. The site will however, be large enough to accommodate more companies in future years.

CuDeco's infrastructure team have been in negotiations with a number of Queensland Government Departments, discussing the proposal and the facility management. Part of the early phases of development will be to seek necessary government approvals and co-ordination agreements with the current state rail operators.

With a number of new copper/lead/zinc/molybdenum/gold/phosphate mines expected to be commencing production over the next 1 to 3 years, and increased superphosphate and sulphuric acid transport, all within the Cloncurry region of Queensland, transporting of these mineral products are not catered for at present. Additionally with the closing of the Mt Isa Copper Smelter and Xstrata's announcement that the Mt Isa copper concentrates will now have to be shipped overseas, a Facility of this type is desperately required. Forward thinking by CuDeco regarding an anticipated requirement for such a facility, lead to CuDeco entering into an MOU for the 900 hectare parcel of land to be used for a rail network centre.

CuDeco has an agreement to utilize the existing Cloncurry facility, which is managed by Ostojic Logisitics, for the early stages for its Rocklands project. This current facility is fully committed and unable to cope with increasing demand, particularly because of the need for long (1km) trains to travel through the centre of the Cloncurry township, causing major disruptions to the residents and traffic congestion at the town-centre rail crossing.

The new CuDeco Facility, if implemented, will meet CuDeco's longer term requirements and will be based on a financial business model that will enable CuDeco to be the principal operator and owner, operated on a surplus revenue basis, and sharing of this Facility with third parties will be on normal commercial terms.

The proposed Facility will increase substantially the rail movements for this NW area of Queensland and allow the transport of millions of tonnes of freight and mineral concentrates by rail, thereby decreasing the movements of heavy vehicles on Queensland roads and most importantly freeing-up transport congestion within the township of Cloncurry.

CuDeco is committed to the township of Cloncurry and to the NW region of Queensland and believes that sharing these facilities can only be good for Queensland, allowing expansion and investment in areas that currently lack infrastructure. Without facilities like the CuDeco Townsville Port Rail Load/Storage and Shiploader, and the proposed Cloncurry rail load Facility currently being developed, mineral exporters, and transport and logistics companies, will not be able to develop/expand to their full potential within in the NW region of Queensland.

CuDeco is happy to offer its rail and port facilities on terms that will be commercially fair and also reflect the work and effort of CuDeco that has gone into securing these facilities and above all, to add to the revenue stream for CuDeco and its shareholders.

Exploration Drilling of Potential Mineralised Structures Identified from Geophysics, Including Induced Polarisation (IP), Chargeability Survey, Proves Successful with New Mineralised Zone Intersected Adjacent to Las Minerale and Northern Siltstone Orebodies.

Exploration diamond drill hole DODH236 intersected visible chalcopyrite (copper-bearing mineral) and pyrite mineralisation intermittently over several zones from 260-460m, in a previously untested area to the local grid north of the Las Minerale and Northern Siltstone ore-bodies.

The hole was drilled to target a "football-shaped" Induced Polarisation (IP), chargeability-high anomaly, that had not been the subject of previous drilling campaigns at Rocklands. The chargeability "football" extends from local grid north of Las Minerale and dips to the local north at a moderate angle. The anomaly then extends further north at an approximate horizontal orientation toward the interpreted down-dip extension of the Rainden ore-body on section.

Copper mineralisation has been identified in a number holes in the greater vicinity, some of which is interpreted to be related to the shallower mineralisation observed in DODH236, however, the majority of observed mineralisation cannot, at this stage, be linked with mineralisation in other drill-holes.

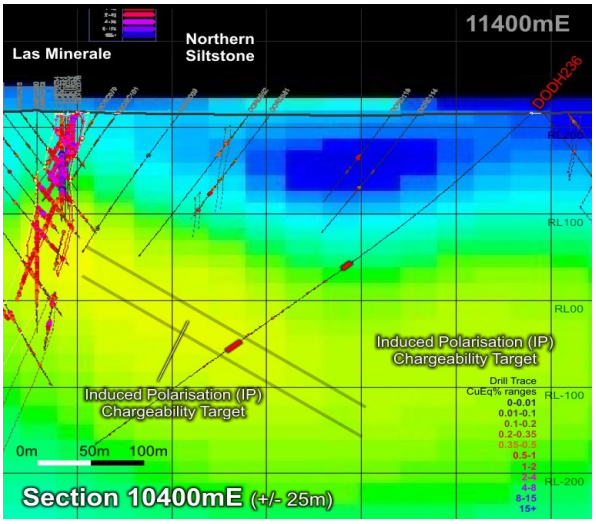

Figure 41: 11400mE cross-section (looking west), showing chargeability high to the North of Las Minerale. The Rainden orebody is to the far right

In March this year, the Rocklands exploration team put together ten 'big picture' exploration targets, based primarily on the results of geophysical and geochemical surveys. These targets have not been tested by the existing drilling on the Rocklands EPM, and are considered to be highly prospective. The IP chargeability-high, targeted in DODH236, was the first hole drilled of the 'big picture' deep diamond drilling programme, and is considered to be a success by the Rocklands exploration team.

On-market Share Buy-back Recommences - with Support from Major Shareholders

The Company recommenced the on-market share buy-back during the quarter, with the support of our major shareholders.

The Company believes the current share price is significantly undervalued and views buying shares at current prices as a sound investment.

Shares purchased by the Company are removed from the register and cancelled, permanently reducing the total number of shares on issue, which benefits all shareholders who choose to retain their shares.

The number of shares bought back for the June quarter amount to 1,426,401.

Appointment of New Director and Company Secretary

The Board of Directors of CuDeco Limited are pleased to announce the appointment of Zhijun Ma as a new non-executive director of the Company. Mr Zhijun Ma was nominated for appointment by Oceanwide International Resource Co Limited ('Oceanwide') under the terms of its agreement to subscribe for shares in the Company.

Mr Zhijun Ma is a graduate from Engineering Management Tianjin University with a bachelor degree. Mr Ma is a specialised professional economist and during his career has been involved in a number of major investment projects covering a wide range of areas including finance, energy and real estate. Mr Ma is a director and general manager of Oceanwide and is responsible for this company's investments for overseas projects especially within the energy and resource sectors. He is also currently the Chairman on Minsheng Investment Management Holdings Co Limited, and Director of the Guangxi Beibu Gulf Bank and Minsheng Securities Co., Ltd. An Appendix 3X Initial Director's Interest Notice for Mr Ma is attached.

The Company also announces that Bruno Bamonte has been appointed as the new Company Secretary

for the company to replace Lisa Rowe. Mr Bamonte is an Australian Chartered Accountant and has more than 15 years experience in public company area in roles ranging from Company Secretary to Finance Director.

Fairfield Exploration Drill Hole DODH242 Intersects High-grade Copper and Cobalt Mineralisation

A series of holes have been planned to follow up on the exploration success of Reverse Circulation (RC), drill hole LMRC458 (ASX release, 18th January 2011), drilled at the Fairfield Prospect in late 2010. LMRC458 intersected 22m @ 1.30% CuEq from 87-109m and was drilled to the south, to test for mineralisation under the old Fairfield Pit.

Diamond drill hole DODH242 was drilled to the north, and was designed to intersect and characterise mineralisation from the southern side of the Fairfield Pit. The hole intersected a 22m zone of copper and cobalt mineralisation, from 90-112m and an additional low-grade zone was also identified from 157-162m. Analysis for gold has not yet been completed.

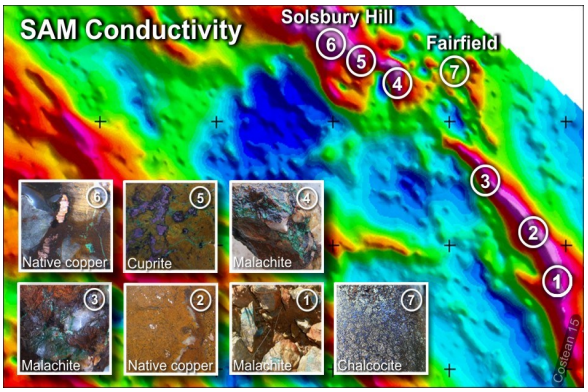

Figure 42: Sub Audio Magnetics (SAM), Conductivity Survey over Fairfield and Solsbury Hill discoveries. A large SAM target coincides with a magnetic anomaly, both of which appear to be associated with numerous surface copper discoveries, in addition to the confirmed mineralisation intersected in drilling at both Fairfield and Solsbury Hill. A corresponding Induced Polarisation (IP) Chargeability anomaly is situated at depth (ranging from approximately 200-500m), beneath the length of the zone in question, and will be drill-tested in the coming weeks

A follow up diamond drill hole (DODH245), was drilled under diamond drill hole DODH242, and successfully intersected the mineralised zone intersected in LMRC458, some 35m down-dip.

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

DORC330		Width	Cu Eq	Cu %	Co ppm	Au g/t	From (m)	To (m)
Intersection	1	**10m**	**@ 3.91%**	2.47%	1200	0.33	**56m**	**- 66m**
Including		**6m**	**@ 5.41%**	3.68%	1442	0.46	**59m**	**- 65m**

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

DODH242		Width	Cu Eq	Cu %	Co ppm	Au g/t	From (m)	To (m)
Intersection	1	**10m**	**@ 3.08%**	1.82%	1077	0.19	**101m**	**- 111m**
Including		**3m**	**@ 7.01%**	5.44%	1350	0.54	**105m**	**- 108m**

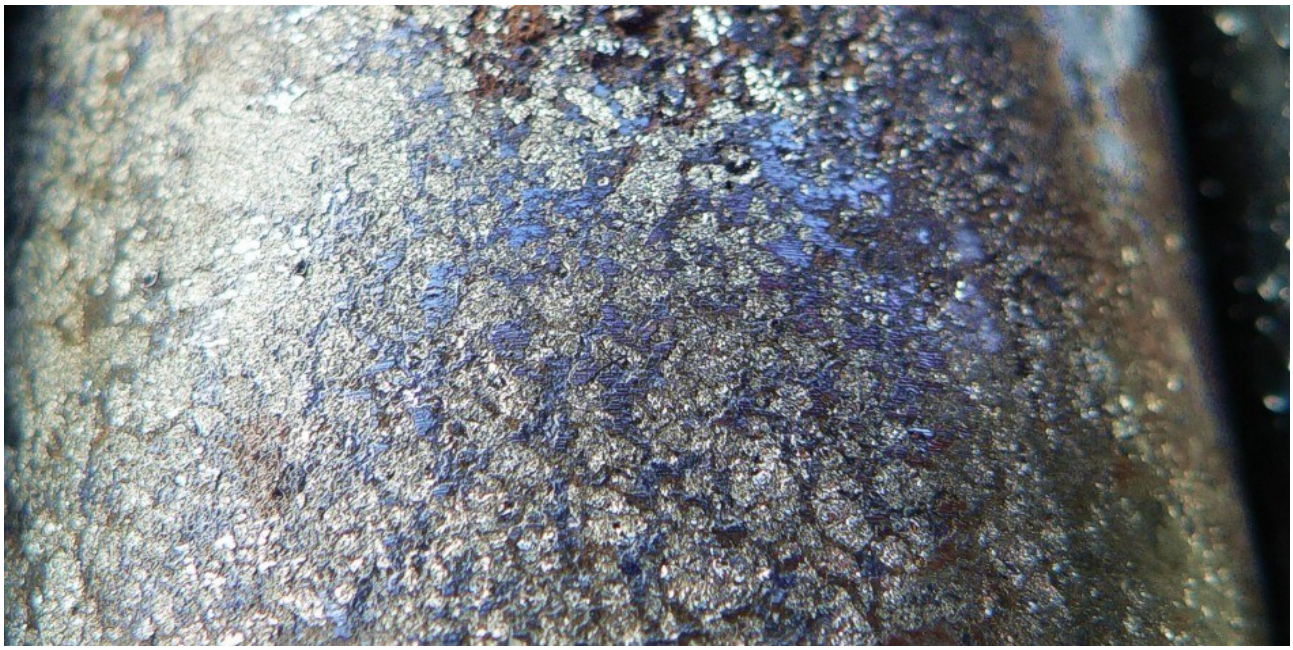

Figure 43: Chalcocite (high-grade copper mineral, contains 79.8% Cu) and pyrite (cobalt is often associated with pyrite at Rocklands), quartz breccia at 107.1m in DODH242

The Fairfield pit is located in the north of the tenement, near the Rocklands exploration compound. Previous exploration drilling in the area has yielded some high-grade results, including RC drill holes; LMRC458, DORC330 and BP002, and of course the recent diamond hole DODH242. (See results previous page).

Fairfield mineralisation is similar to that of other Rocklands-style orebodies, including Las Minerale. The supergene enrichment zone evident at Fairfield is similar to that found at Las Minerale and Rocklands South, and is characterised by high-grade secondary copper minerals chalcocite (79.9% Cu), and bornite (63.3% Cu).

Fairfield is just 500m east of the Solsbury Hill discovery and is thought to be linked. Native copper has been discovered at Solsbury Hill, so it's presence at Fairfield is possible given the supergene processes responsible for native copper formation appear to have influenced mineralogy at both locations.

The Fairfield Prospect is associated with Sub Audio Magnetic (SAM) geophysics targets that correlate with gravity high (Figure 44), and magnetic high (Figure 45), anomalies, which are consistent with the presence of magnetite found in ore at Rocklands, and shows the affinity of Rocklands mineralisation

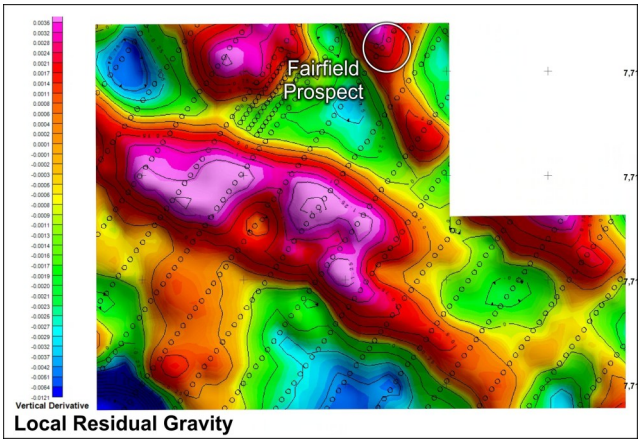

Figure 44: Terrain Corrected, Local Residual Gravity Survey

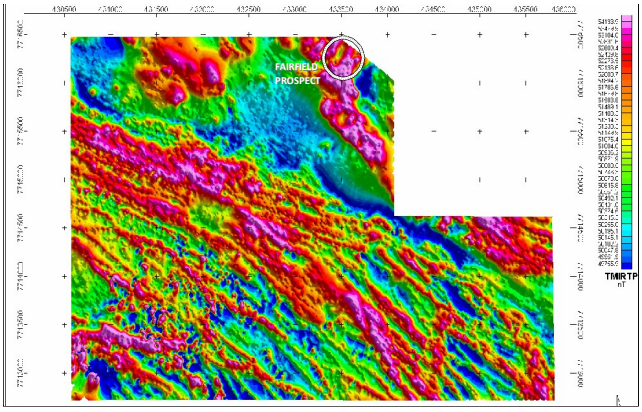

Figure 45: Sub Audio Magnetics (SAM) Total Magnetic Intensity Reduced to Pole - TMI RTP Survey

with Iron-Oxide Copper Gold (IOCG) classification.

These corresponding anomalies are located on the short eastern boundary of the EPM in an approximate north-east south-west direction. Coincident with these anomalies is a SAM conductivity high (Figure 46), which is characteristic of mineralised structures found elsewhere at Rocklands.

The convergence of geophysical anomalies at Fairfield, with numerous occurrences of identified copper and cobalt mineralisation at surface, and its proximity to the Solsbury Hill discovery, highlights the Fairfield Prospect as a major target for the 2011 exploration programme.

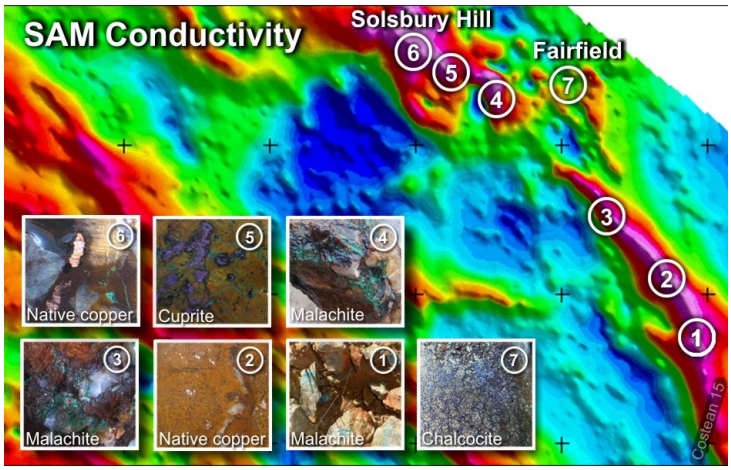

Figure 46: Sub Audio Magnetics (SAM), Conductivity Survey over Fairfield and Solsbury Hill discoveries. A large SAM target coincides with a magnetic anomaly, both of which appear to be associated with numerous surface copper discoveries, in addition to the confirmed mineralisation intersected in drilling at both Fairfield and Solsbury Hill. A corresponding Induced Polarisation (IP) Chargeability high anomaly is situated at depth (ranging from approximately 200-500m), beneath the length of the zone in question, and will be drill-tested in the coming weeks

Rare Earth Element (REE), Enrichment Confirmed in Assay Results From Wilgar Diamond Drilling

Drilling at Wilgar indicates gold mineralisation occurs principally within a highly altered zone, characterised by a geochemical signature consisting of high-grade gold (Au) and tellurium (Te), with elevated silver (Ag).

Visible gold has been observed in diamond drill core within this principal zone.

A coincident ancillary zone exists with a geochemical signature of high-grade Ag, with elevated Au and Te.

There appears to be a direct relationship between the concentrations of Au and Te and an inverse relationship between those of Au and Te (with Ag), within the principal zone. Ag is found to be elevated in the ancillary zone compared to the principal zone.

Figure 47: Highly altered mineralised zone intersected from 14 - 19m assaying 142g/t , in diamond drill hole DODH223 (approximately 13 - 19m shown). Visible gold was not observed until the core was cut for assaying

		DODH223	DODH240
Principal	Au	142	224
	Te	854	1920
	Ag	44.7	19.5
	TREO	**664**	**674**
Ancillary	Au	1.11	3.49
	Te	50	44
	Ag	51.9	40.4
	TREO	**505**	**1002**
Total	Au	36.5	47.5
	Te	251	418
	Ag	59.3	36.3
	TREO	**545**	**937**

Table 2: Averages of elements (ppm), intersected in the principal and ancillary zones in Diamond Drill holes DODH240 and DODH223

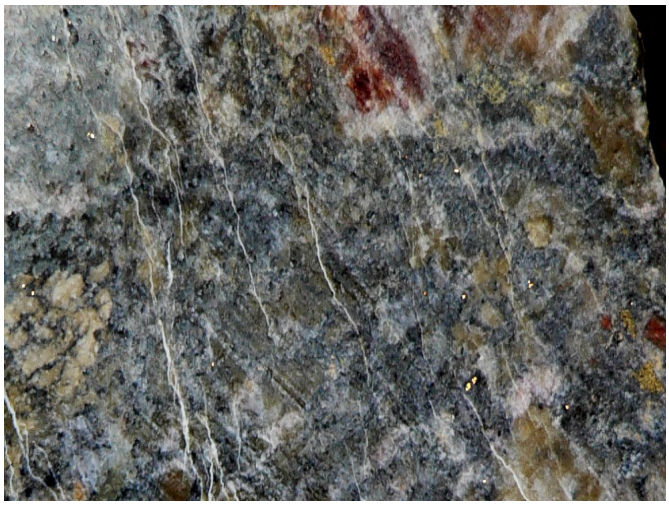

Figure 48: Micro veining with disseminated visible grains of gold associated with highly-altered zone intersected in diamond drill hole DODH240m from 7 - 20m (photos from approximately 12m)

Table 2 (above), shows averages of elements in the principal zones of DODH223 (14-19m) and DODH240 (9-11m), and ancillary zones in DODH223 from (19-34m) and DODH240 from (11-19m). The combined total of both zones for each hole includes; DODH223 (from 14-34m) and; DODH240 (from 9-19m).

Total Rare Earth Oxide (TREO), concentrations in the principal zone, correlate well between both holes. At this stage there is little correlation between TREO in the ancillary zone, which is thought to be due to the effects of surface weathering.

Notably, the mineralised zone does not contain the rounded breccia clasts typically found in the calc-silicate breccia of the Corella Formation (see Figure 47; 13-14m), but instead contains small intense micro veining (Figure 48), that is not seen in the host rock on either side of the zone. Veining on either side of the mineralised zone exists as veining along zones of brittle fractures in the host rock.

Chairman's Comments

It has been an exceptionally busy quarter for the Company, with major milestones achieved at many levels.

As I type, we anticipate successful outcomes for our environmental approval process, and subsequent issuing of the Environmental Authority, and granting of a Mining Lease for the Rocklands Group Copper Project (RGCP), by the end of 2011.

Yours faithfully

Wayne McCrae
Chairman

Competent Person Statement:

The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew J. Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Vigar is employed by Mining Associates Pty Ltd of Brisbane, Australia. Mr Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 mineralization 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 is relevant to the results under consideration and to the activity which he is undertaking to qualify as a competent person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.

***Rocklands style mineralisation;** is dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation with 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.*

***Solsbury style mineralisation;** is brecciated and vein hosted, throughout varying rock types, hosting coarse splashy primary mineralization with supergene bornite and native copper. Polymetallic copper-gold mineralization persists throughout the oxidation profile and remains open at depth.*

***Wilgar style mineralisation;** Polymetallic and rare element prospect, which includes Au, Cu, Mo, Ag, Te, Se, ±U. The high-grade gold, silver and tellurium are present as tellurides. The mineralisation occurs within multiple veins which may relate to part of a IRGS (Intrusion-Related Gold System) at depth.*

Notes on Assay Results
All analyses are carried out at internationally recognized, 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.

In order to be consistent with previous reporting, the drill intersections reported above have been calculated on the basis of copper cutoff grade of 0.2% or Co cutoff grade of 200ppm or a combined equivalent, with an allowance of up to 4m of internal waste.

Reported intersections are down-hole widths. Combined Copper Equivalent results reported over multiple intersections are calculated on a weighted average.

Cu = Copper
Co = Cobalt
Au = Gold
CuEq = Copper Equivalent

***Copper equivalent (CuEq) calculation** - The formula for calculation of copper equivalent is based on the metal prices and metallurgical recovery of:*

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%

The recoveries used in the calculations are the average achieved to date in the metallurgical testwork 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.

Notes on Wilgar Assay Results
All analyses are carried out at internationally recognized, 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.

Wilgar drill intersections reported have been calculated on the basis of a gold cut-off grade of 0.4g/t with no allowance for internal waste.

Reported intersections are down-hole widths. Weighted averages are reported in drill holes with more than one intercept of mineralization.

Au = Gold
Ag = Silver
Te = Tellurium
Mo = Molybdenum
Pb = Lead
Cu = Copper
Co = Cobalt
U = Uranium
Se = Selenium
Zn = Zinc
REE = Rare Earth Elements
TREO = Total Rare Earth Oxides

Bedrock Drilling:
Bedrock drilling at Rocklands is completed with the Company's own Ingersoll Rand, LM500C Rotary Air Blast (RAB), Hydraulic Crawler Drill, which drills vertical holes from the surface down until hard bedrock is reached. When reached, the drill continues for another metre before stopping. Samples are taken down hole in 1 metre intervals from surface, including the last metre which is typically hard bedrock. A six metre hole typically provides 5m of softer, decomposed surface material (colluvium, alluvium, regolith or just plain soil), and one metre (the last metre), of fresh bedrock. The depth of the softer cover material at Rocklands generally varies from 2 to 14 metres in thickness.

Gold Tellurides:
Tellurides are minerals containing tellurium, which is one of the few elements that will chemically combine with gold to form natural stable minerals. Telluride ores have been responsible for some of the worlds richest gold deposits and were important at Goldfield, Nevada, Cripple Creek and Telluride, Colorado, USA, and at Kalgoorlie Western Australia, which boasts the "richest mile of gold" in the world! It is important to be aware of tellurides in samples prior to assay, as gold may be underestimated if the assay process is not appropriately adjusted. Tellurides are leachable by cyanide treatment and offer a relatively simple route to extraction. There are a several telluride minerals and it is believed Wilgar may be host to one or more of the following; calaverite, sylvanite, petzite, nagyagite and/or hessite, all of which contain significant amounts of gold.

Total Rare Earth Oxides (TREO):
To calculate TREO an oxide conversion "factor" is applied to each rare-earth element assay.

The "factor" equates an elemental assay to an oxide concentration for each element. Below is an example of the factor calculation for Lanthanum (La).

Relative Atomic Mass (La) = 138.9055
Relative Atomic Mass (O) = 15.9994

Oxide Formula = La_2O_3
Oxide Conversion Factor = 1/((2x 138.9055)/(2x 138.9055 + 3x 15.9994))
Oxide Conversion Factor = 1.173 (3dp)

TREO is the sum of the calculated oxide concentrations for each rare-earth element. (See table 3)

Symbol	Element	Atomic Mass	Oxide Formula	Oxide Conversion Factor
La	Lanthanum	138.9055	La_2O_3	1.173
Ce	Cerium	140.116	CeO_2	1.228
Pr	Praseodymium	140.90765	Pr_6O_{11}	1.208
Nd	Neodymium	144.24	Nd_2O_3	1.166
Sm	Samarium	150.36	Sm_2O_3	1.16
Eu	Europium	151.964	Eu_2O_3	1.158
Gd	Gadolinium	157.25	Gd_2O_3	1.153
Tb	Terbium	158.92534	Tb_4O_7	1.176
Dy	Dysprosium	162.5	Dy_2O_3	1.148
Ho	Holmium	164.93032	Ho_2O_3	1.146
Er	Erbium	167.259	Er_2O_3	1.143
Tm	Thulium	168.93421	Tm_2O_3	1.142
Yb	Ytterbium	173.04	Yb_2O_3	1.139
Lu	Lutetium	174.967	Lu_2O_3	1.137
Y	Yttrium	88.90585	Y_2O_3	1.27

Table 3: oxide conversion factor for each rare earth element. Used in calculating TREO

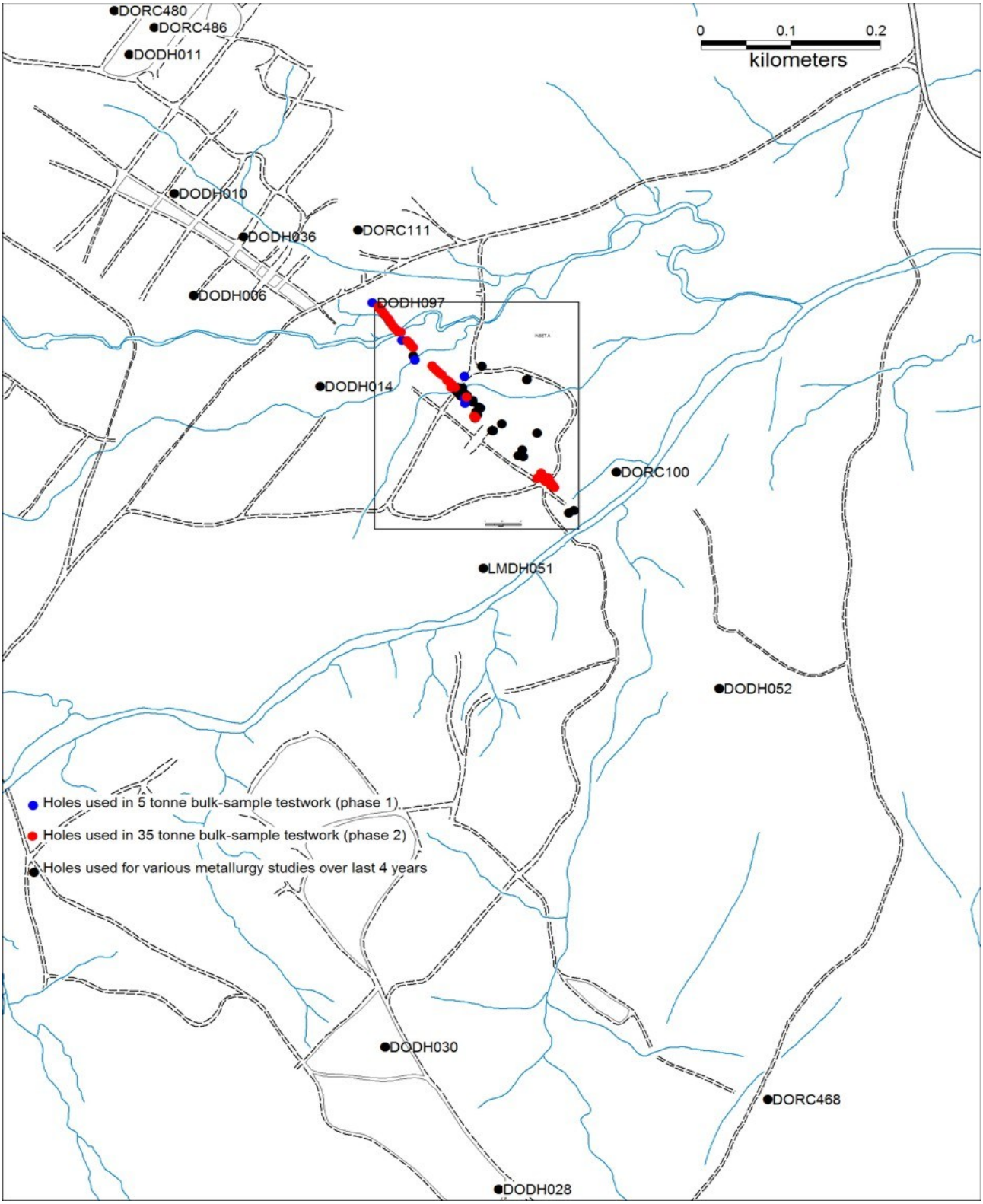

Figure 49: Metallurgical Hole Location Plan

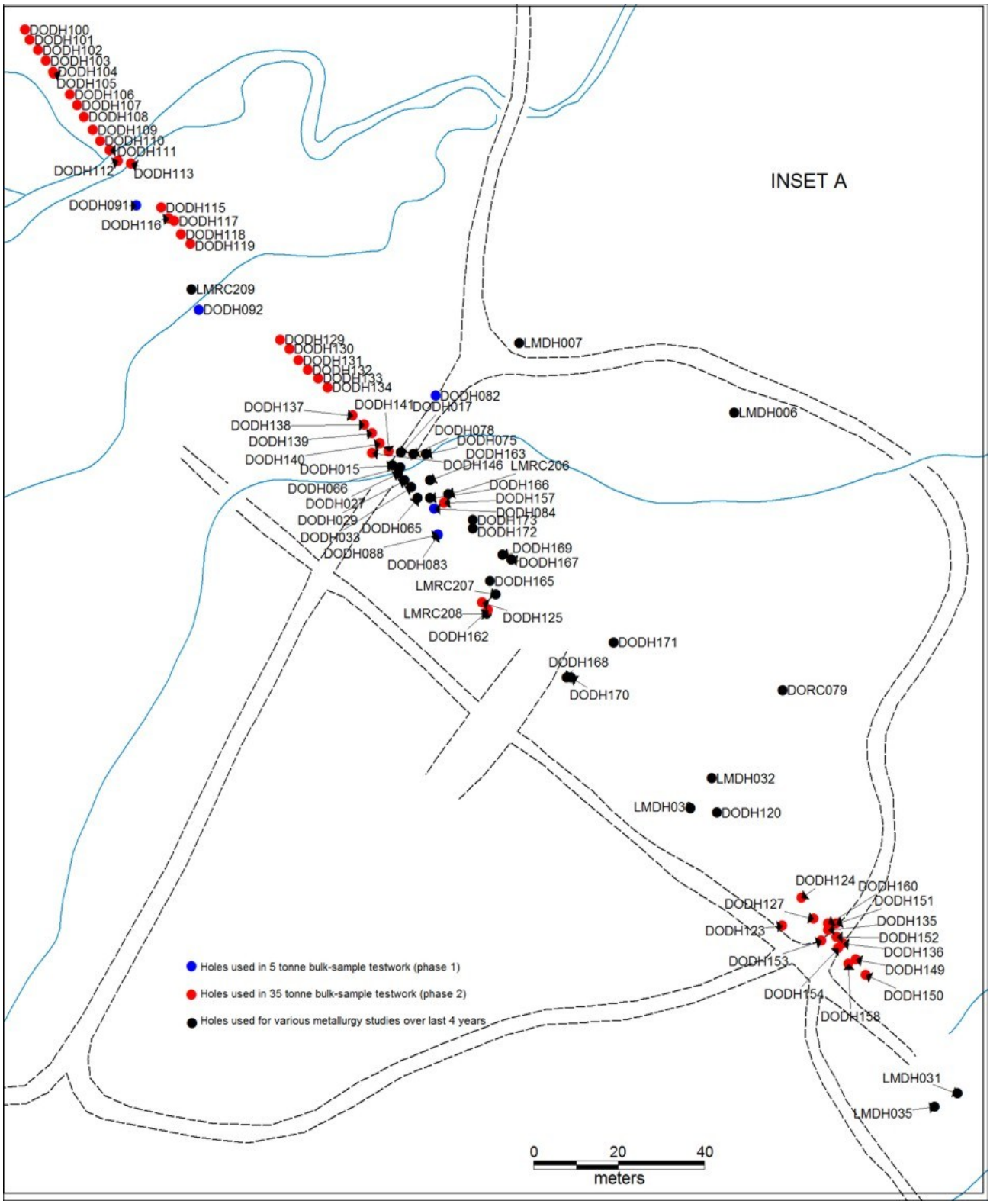

Figure 50: Metallurgical Hole Location Plan (Inset Detail)

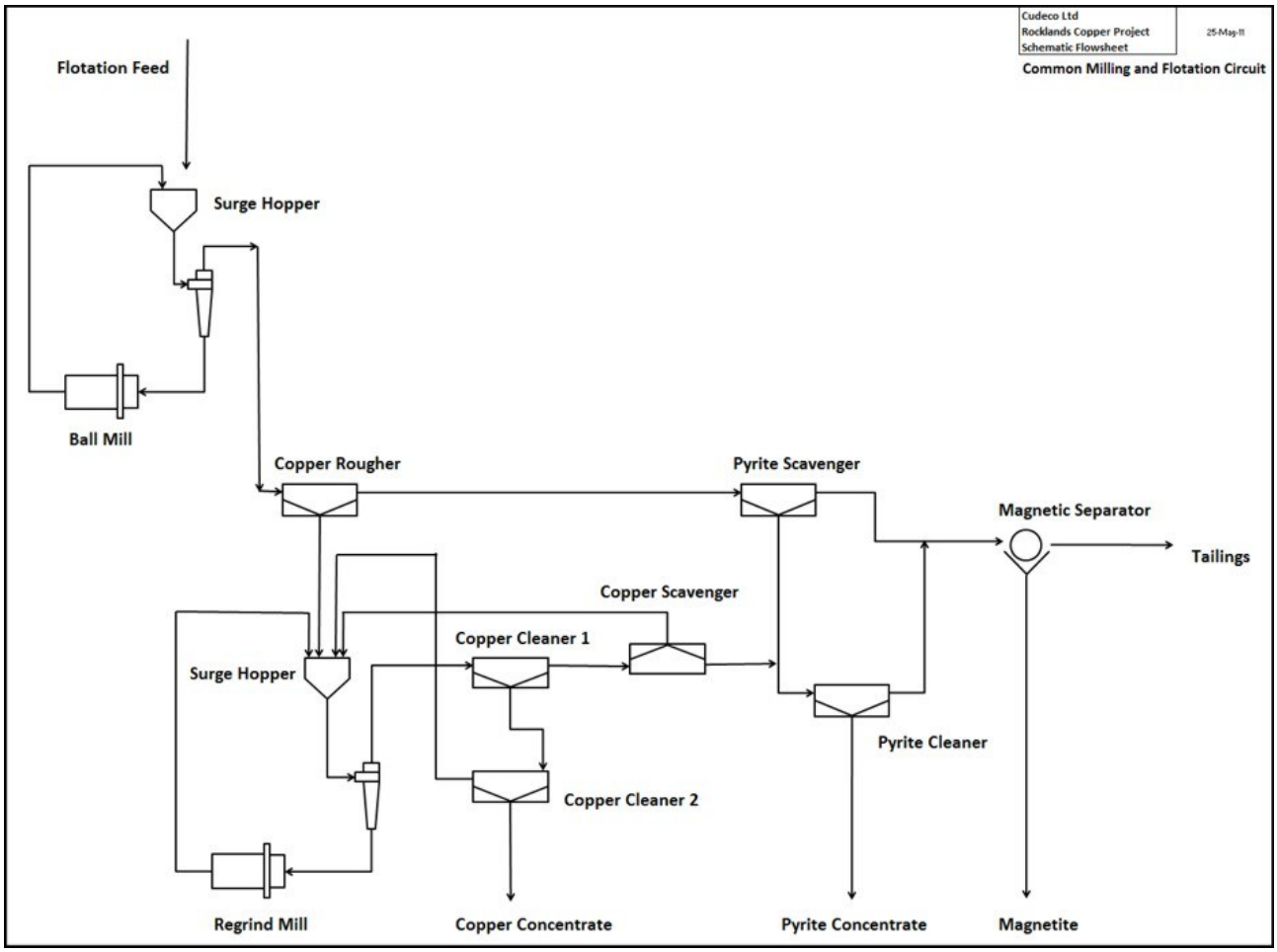

Figure 51: Common Milling and Floatation Circuit

Hole location Tables

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
BP002	433549.1	7716193.8	221.7	345	-55	72
DODH006	433222.8	7714007.8	219.5	30	-75	427.9
DODH010	433198.9	7714126.7	220.9	30	-75	226
DODH011	433148.5	7714291.8	221.7	30	-55	221.5
DODH014	433362.3	7713896.7	217.1	30	-55	218.3
DODH015	433514.2	7713892.5	216.0	000	-90	152.8
DODH017	433516.1	7713895.5	215.8	000	-90	118.3
DODH027	433515.5	7713890.6	216.2	000	-90	148.3
DODH028	433562.7	7712940.2	224.0	210	-65	104.5
DODH029	433517.0	7713889.0	215.9	000	-90	152.7
DODH030	433435.2	7713109.7	226.2	30	-85	170.6
DODH033	433518.6	7713887.4	216.2	000	-90	145.3
DODH036	433276.6	7714074.9	218.2	30	-65	152.2
DODH052	433809.4	7713536.9	219.1	210	-60	323.3
DODH065	433518.4	7713885.6	215.8	000	-90	130.2
DODH066	433516.1	7713892.7	216.2	000	-90	122.7
DODH075	433518.6	7713889.1	216.0	000	-90	142.3
DODH078	433519.4	7713886.7	215.9	000	-90	145.3
DODH082	433528.0	7713910.0	216.1	210	-76	142.6
DODH083	433528.3	7713878.4	216.5	000	-90	104.7
DODH084	433523.9	7713882.5	216.3	000	-90	135.4
DODH091	433458.2	7713953.7	216.8	000	-90	127.4
DODH092	433472.6	7713929.8	215.7	000	-90	98.8
DODH097	433425.2	7713998.1	216.2	000	-90	89.8
DODH100	433428.1	7713991.9	216.5	000	-90	124.3
DODH101	433429.2	7713989.6	216.5	000	-90	128.8
DODH102	433431.0	7713987.3	216.5	000	-90	121.3
DODH103	433432.9	7713984.8	216.2	000	-90	112.3
DODH104	433434.7	7713982.3	216.2	000	-90	85.3
DODH105	433434.7	7713982.0	216.3	000	-90	119.9
DODH106	433438.5	7713977.1	216.4	000	-90	110.8
DODH107	433440.2	7713974.7	216.6	000	-90	122.2
DODH108	433441.8	7713972.0	216.7	000	-90	107.8
DODH109	433443.9	7713969.0	216.5	000	-90	109.3
DODH110	433445.6	7713966.5	216.5	000	-90	159.8
DODH111	433447.9	7713964.5	216.1	000	-90	110.8
DODH112	433449.8	7713962.0	216.4	000	-90	107.8
DODH113	433452.9	7713961.4	216.0	000	-90	83.8

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
DODH115	433460.0	7713951.3	216.8	000	-90	115.3
DODH116	433461.7	7713948.9	216.5	000	-90	119.8
DODH117	433463.0	7713948.2	216.1	000	-90	64.3
DODH118	433464.6	7713945.2	216.0	000	-90	113.8
DODH119	433466.8	7713943.0	215.8	000	-90	55.3
DODH120	433590.2	7713813.2	218.4	000	-90	111.8
DODH123	433605.5	7713787.4	215.8	000	-90	55.3
DODH124	433610.1	7713793.7	215.3	000	-90	62.3
DODH125	433535.1	7713861.1	215.7	000	-90	205.3
DODH127	433612.9	7713789.0	215.6	000	-90	81.5
DODH129	433487.9	7713921.1	217.1	000	-90	105.8
DODH130	433490.0	7713919.1	217.1	000	-90	101.3
DODH131	433492.1	7713916.4	216.2	000	-90	140.3
DODH132	433494.3	7713914.2	216.5	000	-90	104.3
DODH133	433496.8	7713912.3	215.9	000	-90	161.3
DODH134	433499.0	7713910.3	215.8	000	-90	146
DODH135	433616.3	7713786.4	215.5	000	-90	69.9
DODH136	433619.7	7713783.4	215.6	000	-90	41.7
DODH137	433504.9	7713903.9	216.2	000	-90	128.3
DODH138	433507.5	7713901.8	216.5	000	-90	130.4
DODH139	433509.4	7713899.8	215.9	000	-90	148.3
DODH140	433511.2	7713897.5	215.6	000	-90	118.4
DODH141	433513.3	7713895.7	215.8	000	-90	106.3
DODH146	433509.4	7713895.3	216.0	000	-90	122.4
DODH149	433622.8	7713779.7	215.4	000	-90	34.2
DODH150	433625.1	7713776.2	215.4	000	-90	35.9
DODH151	433618.1	7713787.9	215.5	000	-90	35.8
DODH152	433618.2	7713784.9	215.5	000	-90	49.3
DODH153	433614.7	7713784.0	215.5	000	-90	38.8
DODH154	433618.6	7713782.2	215.7	000	-90	44.8
DODH157	433526.3	7713883.9	215.8	000	-90	137.9
DODH158	433621.1	7713778.7	215.4	000	-90	40.3
DODH160	433616.2	7713787.8	215.8	000	-90	70.3
DODH162	433536.6	7713859.5	216.7	000	-90	98.8
DODH163	433521.2	7713881.9	216.0	000	-90	118.3
DODH165	433535.9	7713861.8	215.7	000	-90	92.8
DODH166	433522.1	7713880.4	215.5	000	-90	112.3
DODH167	433541.6	7713865.7	215.5	000	-90	100.3

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
DODH168	433550.4	7713841.4	217.5	000	-90	65.8
DODH169	433540.5	7713867.4	215.3	000	-90	94
DODH170	433551.1	7713839.9	217.5	000	-90	59.8
DODH171	433557.4	7713847.2	217.1	000	-90	79.3
DODH172	433531.2	7713875.3	216.0	000	-90	104.6
DODH173	433531.4	7713875.1	216.1	000	-90	109.4
DODH223	432244.6	7715697.8	238.5	090	-30	110.1
DODH236	433875.1	7714211.0	215.8	210	-45	602
DODH240	432257.6	7715696.0	240.4	000	-90	38.6
DODH242	433493	7716159	227	30	-32	181.6
DODH245	433490	7716161	224	30	-40	202.2
DODH247	432258.3	7715697.8	240.4	000	-90	41.6
DODH248	432260.1	7715697.2	240.5	000	-90	41.6
DODH251	432262.8	7715698.5	240.4	000	-90	29.1
DODH253	433611.4	7713856.7	216.9	30	-55	411.4
DODH255	433648	7713895	217	30	-55	359.6
DORC079	433605.6	7713841.1	217.3	210	-61	118
DORC100	433694.3	7713794.5	214.9	210	-55	244
DORC111	433405.1	7714082.8	219.9	210	-55	285
DORC330	433547.6	7716265.7	220.9	180	-55	154
DORC468	433862.9	7713049.4	228.1	205	-60	160
DORC480	433132.1	7714344.4	224.4	210	-75	172
DORC486	433176.6	7714324.1	223.9	205	-70	124
LMDH006	433594.3	7713904.5	217.4	210	-55	204
LMDH007	433543.8	7713920.4	215.8	210	-55	141
LMDH031	433646.7	7713749.1	214.7	000	-90	87.4
LMDH032	433589.1	7713821.0	218.7	000	-90	61.4
LMDH033	433584.0	7713814.1	218.2	000	-90	121.5
LMDH035	433643.9	7713747.4	216.2	000	-90	90
LMDH051	433545.2	7713679.8	215.4	30	-55	224.4
LMRC206	433527.2	7713885.9	215.8	000	-90	148
LMRC207	433541.7	7713864.6	215.5	000	-90	172
LMRC208	433536.3	7713858.6	216.4	000	-90	212
LMRC209	433467.0	7713932.7	215.9	000	-90	200
LMRC458	433590.7	7716276.9	219.8	210	-55	124
WUBR501	432255	7715640	233	000	-90	5
WUBR502	432256	7715642	233	000	-90	6
WUBR503	432258	7715643	233	000	-90	6
WUBR504	432259	7715645	234	000	-90	6

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR505	432260	7715646	234	000	-90	6
WUBR506	432261	7715648	234	000	-90	7
WUBR507	432266	7715655	234	000	-90	9
WUBR508	432267	7715656	234	000	-90	9
WUBR509	432268	7715658	234	000	-90	8
WUBR510	432269	7715659	235	000	-90	9
WUBR511	432271	7715658	235	000	-90	9
WUBR512	432270	7715657	234	000	-90	9
WUBR513	432269	7715655	234	000	-90	6
WUBR514	432264	7715649	234	000	-90	7
WUBR515	432263	7715647	234	000	-90	9
WUBR516	432261	7715645	234	000	-90	6
WUBR517	432260	7715644	234	000	-90	8
WUBR518	432259	7715642	233	000	-90	4
WUBR519	432258	7715640	233	000	-90	4
WUBR520	432257	7715639	233	000	-90	5
WUBR521	432258	7715638	233	000	-90	6
WUBR522	432260	7715639	233	000	-90	5
WUBR523	432261	7715641	233	000	-90	5
WUBR524	432262	7715643	233	000	-90	9
WUBR525	432263	7715644	234	000	-90	10
WUBR526	432264	7715646	234	000	-90	11
WUBR527	432265	7715647	234	000	-90	12
WUBR528	432267	7715649	234	000	-90	13
WUBR529	432268	7715651	234	000	-90	11
WUBR530	432269	7715652	234	000	-90	11
WUBR531	432270	7715654	235	000	-90	11
WUBR532	432271	7715655	235	000	-90	8
WUBR533	432273	7715657	235	000	-90	9
WUBR534	432274	7715656	235	000	-90	12
WUBR535	432273	7715654	235	000	-90	7
WUBR536	432272	7715653	234	000	-90	8
WUBR537	432271	7715651	234	000	-90	8
WUBR538	432269	7715649	234	000	-90	9
WUBR539	432268	7715648	234	000	-90	12
WUBR540	432267	7715646	234	000	-90	4
WUBR541	432266	7715645	234	000	-90	6
WUBR542	432265	7715643	234	000	-90	9

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR543	432264	7715641	233	000	-90	11
WUBR544	432262	7715640	233	000	-90	12
WUBR545	432261	7715638	233	000	-90	12
WUBR546	432260	7715636	233	000	-90	8
WUBR547	432262	7715635	233	000	-90	7
WUBR548	432263	7715637	233	000	-90	6
WUBR549	432264	7715639	233	000	-90	9
WUBR550	432265	7715640	233	000	-90	11
WUBR551	432266	7715642	233	000	-90	10
WUBR552	432268	7715643	234	000	-90	10
WUBR553	432269	7715645	234	000	-90	12
WUBR554	432270	7715647	234	000	-90	9
WUBR555	432271	7715648	234	000	-90	12
WUBR556	432272	7715650	234	000	-90	11
WUBR557	432273	7715651	234	000	-90	9
WUBR558	432275	7715653	234	000	-90	9
WUBR559	432276	7715655	235	000	-90	9
WUBR560	432277	7715653	235	000	-90	9
WUBR561	432276	7715652	234	000	-90	6
WUBR562	432275	7715650	234	000	-90	9
WUBR563	432274	7715649	234	000	-90	10
WUBR564	432273	7715647	234	000	-90	10
WUBR565	432271	7715645	234	000	-90	9
WUBR566	432270	7715644	234	000	-90	13
WUBR567	432269	7715642	233	000	-90	12
WUBR568	432268	7715641	233	000	-90	11
WUBR569	432267	7715639	233	000	-90	14
WUBR570	432266	7715637	233	000	-90	9
WUBR571	432264	7715636	233	000	-90	6
WUBR572	432263	7715634	233	000	-90	9
WUBR573	432265	7715633	233	000	-90	6
WUBR574	432266	7715635	233	000	-90	6
WUBR575	432267	7715636	233	000	-90	9
WUBR576	432268	7715638	233	000	-90	12
WUBR577	432270	7715639	233	000	-90	11
WUBR578	432271	7715641	233	000	-90	13
WUBR579	432272	7715643	234	000	-90	11
WUBR580	432273	7715644	234	000	-90	9

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR581	432274	7715646	234	000	-90	8
WUBR582	432275	7715647	234	000	-90	9
WUBR583	432277	7715649	234	000	-90	9
WUBR584	432278	7715651	234	000	-90	9
WUBR585	432279	7715652	234	000	-90	6
WUBR586	432281	7715651	234	000	-90	10
WUBR587	432279	7715649	234	000	-90	8
WUBR588	432278	7715648	234	000	-90	9
WUBR589	432277	7715646	234	000	-90	7
WUBR590	432276	7715645	234	000	-90	8
WUBR591	432275	7715643	234	000	-90	9
WUBR592	432274	7715641	233	000	-90	11
WUBR593	432272	7715640	233	000	-90	12
WUBR594	432271	7715638	233	000	-90	11
WUBR595	432270	7715637	233	000	-90	11
WUBR596	432269	7715635	233	000	-90	3
WUBR597	432268	7715633	233	000	-90	3
WUBR598	432266	7715632	233	000	-90	3
WUBR599	432268	7715631	233	000	-90	3
WUBR600	432269	7715632	233	000	-90	2
WUBR601	432270	7715634	233	000	-90	3
WUBR602	432272	7715635	233	000	-90	3
WUBR603	432273	7715637	233	000	-90	3
WUBR604	432274	7715639	233	000	-90	4
WUBR605	432275	7715640	233	000	-90	10
WUBR606	432276	7715642	233	000	-90	10
WUBR607	432278	7715643	234	000	-90	10
WUBR608	432279	7715645	234	000	-90	6
WUBR609	432280	7715647	234	000	-90	11
WUBR610	432281	7715648	234	000	-90	6
WUBR611	432282	7715650	234	000	-90	3
WUBR612	432284	7715649	234	000	-90	12
WUBR613	432283	7715647	234	000	-90	12
WUBR614	432281	7715646	234	000	-90	11
WUBR615	432280	7715644	234	000	-90	9
WUBR616	432279	7715642	234	000	-90	11
WUBR617	432278	7715641	233	000	-90	11
WUBR618	432277	7715639	233	000	-90	10

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR619	432276	7715637	233	000	-90	6
WUBR620	432274	7715636	233	000	-90	6
WUBR621	432273	7715634	233	000	-90	3
WUBR622	432272	7715633	233	000	-90	3
WUBR623	432271	7715631	232	000	-90	3
WUBR624	432270	7715629	232	000	-90	3
WUBR625	432271	7715628	232	000	-90	3
WUBR626	432272	7715630	232	000	-90	3
WUBR627	432274	7715631	233	000	-90	3
WUBR628	432275	7715633	233	000	-90	3
WUBR629	432276	7715635	233	000	-90	3
WUBR630	432277	7715636	233	000	-90	4
WUBR631	432278	7715638	233	000	-90	9
WUBR632	432280	7715639	233	000	-90	10
WUBR633	432281	7715641	233	000	-90	10
WUBR634	432282	7715643	234	000	-90	11
WUBR635	432283	7715644	234	000	-90	9
WUBR636	432284	7715646	234	000	-90	11
WUBR637	432285	7715648	234	000	-90	10
WUBR638	432287	7715646	234	000	-90	9
WUBR639	432286	7715645	234	000	-90	3
WUBR640	432285	7715643	234	000	-90	10
WUBR641	432284	7715642	233	000	-90	12
WUBR642	432282	7715640	233	000	-90	10
WUBR643	432281	7715638	233	000	-90	9
WUBR644	432280	7715637	233	000	-90	9
WUBR645	432279	7715635	233	000	-90	8
WUBR646	432278	7715633	233	000	-90	3
WUBR647	432276	7715632	233	000	-90	3
WUBR648	432275	7715630	232	000	-90	3
WUBR649	432274	7715629	232	000	-90	3
WUBR650	432273	7715627	232	000	-90	3
WUBR651	432274	7715626	232	000	-90	3
WUBR652	432276	7715627	232	000	-90	2
WUBR653	432277	7715629	232	000	-90	3
WUBR654	432278	7715631	232	000	-90	3
WUBR655	432279	7715632	233	000	-90	3
WUBR656	432280	7715634	233	000	-90	8

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR657	432282	7715636	233	000	-90	9
WUBR658	432283	7715637	233	000	-90	9
WUBR659	432284	7715639	233	000	-90	9
WUBR660	432285	7715640	233	000	-90	9
WUBR661	432286	7715642	234	000	-90	9
WUBR662	432288	7715644	234	000	-90	9
WUBR663	432289	7715645	234	000	-90	3
WUBR664	432290	7715644	234	000	-90	3
WUBR665	432289	7715642	234	000	-90	3
WUBR666	432288	7715641	233	000	-90	3
WUBR667	432287	7715639	233	000	-90	3
WUBR668	432286	7715638	233	000	-90	3
WUBR669	432284	7715636	233	000	-90	5
WUBR670	432283	7715634	233	000	-90	3
WUBR671	432282	7715633	233	000	-90	9
WUBR672	432281	7715631	233	000	-90	3
WUBR673	432280	7715629	232	000	-90	5
WUBR674	432278	7715628	232	000	-90	3
WUBR675	432277	7715626	232	000	-90	3
WUBR676	432276	7715625	232	000	-90	3
WUBR677	432278	7715623	232	000	-90	3
WUBR678	432279	7715625	232	000	-90	3
WUBR679	432280	7715627	232	000	-90	3
WUBR680	432281	7715628	232	000	-90	3
WUBR681	432282	7715630	233	000	-90	3
WUBR682	432284	7715632	233	000	-90	3
WUBR683	432285	7715633	233	000	-90	3
WUBR684	432286	7715635	233	000	-90	3
WUBR685	432287	7715636	233	000	-90	3
WUBR686	432288	7715638	233	000	-90	6
WUBR687	432290	7715640	233	000	-90	3
WUBR688	432291	7715641	233	000	-90	3
WUBR689	432292	7715643	234	000	-90	3
WUBR690	432294	7715642	234	000	-90	3
WUBR691	432292	7715640	233	000	-90	3
WUBR692	432291	7715638	233	000	-90	3
WUBR693	432290	7715637	233	000	-90	3
WUBR694	432289	7715635	233	000	-90	3

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR695	432288	7715634	233	000	-90	3
WUBR696	432286	7715632	233	000	-90	3
WUBR697	432285	7715630	233	000	-90	5
WUBR698	432284	7715629	232	000	-90	6
WUBR699	432283	7715627	232	000	-90	3
WUBR700	432282	7715626	232	000	-90	3
WUBR701	432281	7715624	232	000	-90	2
WUBR702	432279	7715622	232	000	-90	3
WUBR703	432281	7715621	232	000	-90	3
WUBR704	432282	7715623	232	000	-90	3
WUBR705	432283	7715624	232	000	-90	6
WUBR706	432284	7715626	232	000	-90	6
WUBR707	432286	7715628	232	000	-90	3
WUBR708	432287	7715629	232	000	-90	3
WUBR709	432288	7715631	233	000	-90	3
WUBR710	432289	7715632	233	000	-90	3
WUBR711	432290	7715634	233	000	-90	2
WUBR712	432292	7715636	233	000	-90	3
WUBR713	432293	7715637	233	000	-90	3
WUBR714	432294	7715639	233	000	-90	3
WUBR715	432295	7715640	234	000	-90	2
WUBR716	432297	7715639	233	000	-90	3
WUBR717	432296	7715638	233	000	-90	3
WUBR718	432294	7715636	233	000	-90	3
WUBR719	432293	7715634	233	000	-90	3
WUBR720	432292	7715633	233	000	-90	3
WUBR721	432291	7715631	233	000	-90	3
WUBR722	432290	7715630	233	000	-90	3
WUBR723	432288	7715628	232	000	-90	3
WUBR724	432287	7715626	232	000	-90	3
WUBR725	432286	7715625	232	000	-90	3
WUBR726	432285	7715623	232	000	-90	5
WUBR727	432284	7715622	232	000	-90	3
WUBR728	432283	7715620	232	000	-90	3
WUBR729	432284	7715619	232	000	-90	3
WUBR730	432285	7715620	232	000	-90	3
WUBR731	432287	7715622	232	000	-90	3
WUBR732	432288	7715624	232	000	-90	4

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR733	432289	7715625	232	000	-90	3
WUBR734	432290	7715627	232	000	-90	3
WUBR735	432291	7715628	232	000	-90	3
WUBR736	432292	7715630	233	000	-90	3
WUBR737	432294	7715632	233	000	-90	3
WUBR738	432295	7715633	233	000	-90	3
WUBR739	432296	7715635	233	000	-90	3
WUBR740	432297	7715636	233	000	-90	3
WUBR741	432298	7715638	233	000	-90	3
WUBR742	432300	7715637	233	000	-90	3
WUBR743	432299	7715635	233	000	-90	3
WUBR744	432298	7715634	233	000	-90	3
WUBR745	432296	7715632	233	000	-90	3
WUBR746	432295	7715630	233	000	-90	3
WUBR747	432294	7715629	232	000	-90	3
WUBR748	432293	7715627	232	000	-90	3
WUBR749	432292	7715626	232	000	-90	3
WUBR750	432291	7715624	232	000	-90	3
WUBR751	432289	7715622	232	000	-90	3
WUBR752	432288	7715621	232	000	-90	3
WUBR753	432287	7715619	232	000	-90	3
WUBR754	432286	7715618	231	000	-90	4
WUBR755	432287	7715616	231	000	-90	4
WUBR756	432289	7715618	231	000	-90	3
WUBR757	432290	7715620	232	000	-90	3
WUBR758	432291	7715621	232	000	-90	3
WUBR759	432292	7715623	232	000	-90	3
WUBR760	432293	7715624	232	000	-90	3
WUBR761	432294	7715626	232	000	-90	3
WUBR762	432296	7715628	232	000	-90	3
WUBR763	432297	7715629	233	000	-90	3
WUBR764	432298	7715631	233	000	-90	3
WUBR765	432299	7715632	233	000	-90	5
WUBR766	432300	7715634	233	000	-90	5
WUBR767	432302	7715636	233	000	-90	3
WUBR768	432303	7715635	233	000	-90	3
WUBR769	432302	7715633	233	000	-90	3
WUBR770	432301	7715631	233	000	-90	3

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR771	432300	7715630	233	000	-90	3
WUBR772	432298	7715628	232	000	-90	3
WUBR773	432297	7715626	232	000	-90	3
WUBR774	432296	7715625	232	000	-90	3
WUBR775	432295	7715623	232	000	-90	3
WUBR776	432294	7715622	232	000	-90	3
WUBR777	432293	7715620	232	000	-90	3
WUBR778	432291	7715618	232	000	-90	6
WUBR779	432290	7715617	231	000	-90	3
WUBR780	432289	7715615	231	000	-90	6
WUBR781	432291	7715614	231	000	-90	6
WUBR782	432292	7715616	231	000	-90	6
WUBR783	432293	7715617	231	000	-90	3
WUBR784	432294	7715619	232	000	-90	3
WUBR785	432295	7715620	232	000	-90	3
WUBR786	432297	7715622	232	000	-90	3
WUBR787	432298	7715624	232	000	-90	3
WUBR788	432299	7715625	232	000	-90	3
WUBR789	432300	7715627	232	000	-90	3
WUBR790	432301	7715629	232	000	-90	4
WUBR791	432302	7715630	233	000	-90	3
WUBR792	432304	7715632	233	000	-90	3
WUBR793	432305	7715633	233	000	-90	3
WUBR794	432306	7715632	233	000	-90	3
WUBR795	432305	7715631	233	000	-90	3
WUBR796	432304	7715629	233	000	-90	3
WUBR797	432303	7715627	232	000	-90	3
WUBR798	432302	7715626	232	000	-90	3
WUBR799	432301	7715624	232	000	-90	3
WUBR800	432299	7715622	232	000	-90	3
WUBR801	432298	7715621	232	000	-90	2
WUBR802	432297	7715619	232	000	-90	3
WUBR803	432296	7715618	231	000	-90	3
WUBR804	432295	7715616	231	000	-90	5
WUBR805	432293	7715614	231	000	-90	3
WUBR806	432292	7715613	231	000	-90	3
WUBR807	432294	7715612	231	000	-90	3
WUBR808	432295	7715613	231	000	-90	3

Hole location Tables...continued

Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
WUBR809	432296	7715615	231	000	-90	3
WUBR810	432297	7715616	231	000	-90	3
WUBR811	432299	7715618	232	000	-90	3
WUBR812	432300	7715620	232	000	-90	3
WUBR813	432301	7715621	232	000	-90	3
WUBR814	432302	7715623	232	000	-90	3
WUBR815	432303	7715625	232	000	-90	3
WUBR816	432304	7715626	232	000	-90	3
WUBR817	432306	7715628	232	000	-90	3
WUBR818	432307	7715629	233	000	-90	3
WUBR819	432308	7715631	233	000	-90	3

Datum: AGD66 Project: UTM54 surveyed with Differential GPS (1 decimal place) and/or handheld GPS (no decimal places).

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CUDECO LIMITED

ABN	Quarter ended ("current quarter")
000 317 251	30 June 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(2,159)	(9,495)
	(b) development	(1,188)	(1,188)
	(c) production	-	-
	(d) administration	(1,024)	(4,251)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	855	2,195
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid		
1.7	Other - Rental bond (paid)/received	-	(16)
	Other – R & D tax concession received	-	299
	Other – Trainee grant received	-	2
	Net Operating Cash Flows	**(4,216)**	**(13,154)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(257)	(3,120)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	850
	(c) other fixed assets	-	12
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Deposits paid on Production plant	(7,149)	(11,233)
	Net investing cash flows	**(7,406)**	**(13,491)**
1.13	Total operating and investing cash flows (carried forward)	(11,622)	(26,645)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(11,622)	(26,645)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	56,810	102,160
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 – share issue costs	(2,145)	(3,225)
	Other – On market share buy back	(2,290)	(4,495)
	Net financing cash flows	**52,375**	**94,440**
	Net increase (decrease) in cash held	40,753	67,795
1.20	Cash at beginning of quarter/year to date	63,025	36,430
1.21	Exchange rate adjustments to item 1.20	(647)	(1,094)
1.22	**Cash at end of quarter**	103,131	103,131

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	567
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director and their related parties remuneration	$498
Rent paid to director & director related entity	$ 69

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

n/a

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

n/a

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	1,500
4.2	Development	1,500
4.3	Production	0
4.4	Administration	1,200
	Total	

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	40,631	25,525
5.2	Deposits at call	62,500	37,500
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	103,131	63,025

Changes in interests in mining tenements – N/A

		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				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

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) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** +**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+**Ordinary securities**	165,416,264	144,216,264		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	14,950,000 1,296,379	- 1,296,379	380	380
7.5	+**Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			***Exercise price***	***Expiry date***
	Consultant options	300,000	-	$3.50	10.06.12
	Employee options	2,400,000	-	$4.00	31.07.12
	Employee options	200,000	-	$4.50	31.07.12
	Director options	2,700,000	-	$6.50	31.12.12
	Employee options	100,000	-	$4.50	22.02.13
	Employee options	525,000	-	$2.50	15.09.13
	Consultant options	600,000	-	$2.50	15.09.13
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter				
7.10	Expired during quarter Employee options cancelled Employee options cancelled	75,000 200,000		$2.50 $2.50	15.09.13 15.09.13
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 5).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 28 July 2011

(~~Director~~/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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

+ See chapter 19 for defined terms.