
Quarterly Report ending 31st December, 2012

30th January 2013

ROCKLANDS COPPER PROJECT (CDU 100%)

HIGHLIGHTS

HIGHLIGHTS POST-QUARTER END

- Diamond drilling starts at Rocklands South
- Results from first diamond drill core of 2013 (DODH456) confirms new wide zones of high-grade copper mineralisation at Rocklands South
- Significant targets identified from Sub Audio Magnetics (SAM) Survey at new EPM18054
- Unusually dry “wet-season” facilitates trouble-free progress of development activities including major earthworks, road building and infrastructure construction
- Additional accommodation cabins and 8 additional houses constructed in Cloncurry
- 500 tonnes per hour primary and secondary crushing circuit arrives at site - construction and installation commences

QUARTER HIGHLIGHTS

DEVELOPMENT

- Numerous blasts took place during the quarter along the Morris Creek Diversion channel and within the Las Minerale pit areas
- Key areas under development during the Quarter included;
 1. *Las Minerale, Rocklands South and Rocklands South Extension starter-pits*
 2. *Las Minerale and Rocklands South surface bedrock drilling and sampling programme*
 3. *Morris Creek Diversion Channel and dam walls*
 4. *Infrastructure corridor, major access roads, haul roads and Tailings Storage Facility (TSF)*
 5. *Water Storage Facility (WSF)*
 6. *Process Plant - delivery of components, final design, site preparation and construction*

EXPLORATION

- Pit de-watering boreholes intersect unexpectedly wide zones of extremely high-grade copper mineralisation in previously undrilled areas of the Rocklands South resource - average grades multiples of those indicated in current resource estimate

- New Sub Audio Magnetics (SAM) surveys conducted at Rocklands
- High-resolution Sub Audio Magnetics (SAM) geophysics programme at Wilgar highlights previously unidentified structures thought to be associated with mineralisation
- Queensland State Government Gives Green Light to Uranium Mining
- High-resolution Sub Audio Magnetics (SAM) geophysics programme at Fairfield highlights new target areas
- Fairfield Prospect upgraded to “significant project status” following drilling success during the quarter, with the view to defining sufficient resources to provide supplementary ore to the high-grade inventory planned to be processed at the Rocklands Group Copper Project

CORPORATE

- Planned placement for \$30m to international and North American investors withdrawn due to adverse financial conditions and impact of Hurricane Sandy on New York
- CuDeco enters into binding contract with Sinosteel Equipment and Engineering Co Ltd for placement of 7.6m fully paid CuDeco shares at \$4.50 per share
- The Company’s 2012 Annual Report was released during the Quarter and is available for online viewing
- CuDeco is proud to have once again supported the North Queensland Cowboys in their annual pilgrimage to Cloncurry to support the “Battle of the Mines” charity event, and to have also provided support to the local Police Citizens Youth Club (PCYC)
- The Company’s Annual General Meeting (AGM) was held in Cloncurry on 29th November 2012



Figure 1: First blast at the north-west of face of the Las Minerale Pit

HIGHLIGHTS POST-QUARTER END

Diamond Drilling Starts at Rocklands South Orebody - to Follow up on High-grade Mineralisation Unexpectedly Intersected at the End of 2012 During Pit-dewater Bore Drilling

In late 2012 five wide-diameter (250mm) Pit-dewatering bore holes targeted previously undrilled areas within and proximal to the Rocklands South Orebody - all holes intersected high-grade copper mineralisation.

Results from two holes (NVB018 and NVB033) received in December 2012 included;

Drill Hole NVB018 - Intersection 2:

113m @ 3.51% CuEq

(from 97m)

Including

37m @ 8.86% CuEq

(from 165m)

Drill hole NVB033 - Intersection 1:

Includes

15m @ 1.53% CuEq

(from 82m)

And

15m @ 4.38% CuEq

(from 187m)

Drill Hole NVB018 - Intersection 3:

45m @ 3.51% CuEq

(from 217m)

Including

30m @ 4.61% CuEq

(from 225m)

Drill hole NVB033 - Intersection 2:

30m @ 2.68% CuEq

(from 235m)

Including

22m @ 3.34% CuEq

(from 240m)

See full details of all intervals page 4 (gold assays not available for NVB033 and not included in above CuEq calculations)

Based on these results, the first diamond drill hole of 2013 commenced at the Rocklands South orebody and in the process kicked off the first stage of an exciting drilling programme designed to test the unexpectedly high-grade copper mineralisation intersected during the pit-dewatering bore-hole drilling within and proximal to the Rocklands South orebody.



Figure 2: High grade copper mineralisation including chalcopyrite, chalcocite and bornite in drill chips from pit dewatering drill hole NVB038 from 143-146m (left) and NVB038 from approximately 107m (right) - chalcopyrite (34.6% copper metal) chalcocite (79.9% copper metal) bornite (63.3% copper metal) in hydrothermal breccia (assays awaited)

Detailed assay results of water bore-holes NVB018 & NVB033 include;

NVB018		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	53m	@ 0.57%	0.44%	127	X	7m	- 60m
Intersection	2	113m	@ 3.51%	2.83%	601	0.24	97m	- 200m
including		37m	@ 8.86%	7.45%	1300	0.54	165m	- 202m
Intersection	3	45m	@ 3.51%	2.89%	490	0.40	217m	- 262m
including		30m	@ 4.61%	3.83%	630	0.49	225m	- 255m
NVB033		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	225m	@ 1.00%	0.72%	275	<i>pending</i>	0m	- 225m
including		22m	@ 1.25%	0.91%	324	<i>pending</i>	15m	- 37m
and		15m	@ 1.53%	0.89%	581	<i>pending</i>	82m	- 97m
and		15m	@ 4.38%	3.72%	725	<i>pending</i>	187m	- 202m
Intersection	2	30m	@ 2.68%	2.34%	390	<i>pending</i>	240m	- 270m
including		22m	@ 3.34%	2.91%	494	<i>pending</i>	240m	- 262m

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

Diamond drilling will be required to provide reliable geochemical and structural information important for this new area to be included in an upgraded resource block model. As such, a diamond core drill rig has been assigned to target, delineate and extend this new, previously unknown high-grade zone of mineralisation at Rocklands South, which corresponds with a conductivity high anomaly that extends for over 4km, identified by Sub Audio Magnetics (SAM) Geophysical Surveys.

An initial target zone will be the subject of a dedicated diamond drilling programme that extends from the location of the recent water-bore drilling at Rocklands South, to approximately 1,200m north-west and 200m south-east, along a zone where mineralisation has been confirmed above 150m but where drilling has not previously targeted the Rocklands South structure at depth (see Figure 4).

Depending on results additional rigs (including an RC for pre-collaring) will be assigned to expedite the diamond program.

Results From First Diamond Drill Core of 2013 (DODH456) Confirms New Wide Zones of High-grade Copper Mineralisation at Rocklands South

Results from the first diamond drill hole of 2013 intersected wide zones of high-grade copper mineralisation, providing immediate success to the first drilling programme of 2013. Previous drilling programs did not test the areas now being confirmed as hosting high-grade copper mineralisation, with several holes drilled as early as 2006 pulling up just metres short of the high-grade zone.

Drill Hole DODH456 Included:

26m @ 1.83% CuEq

(from 156m)

Including

12m @ 2.60% CuEq

(from 156m)

See full details of all intervals page 5 (gold assays not available and not included in above CuEq calculation)



Figure 3: Diamond Drill core DODH456 showing semi-massive chalcopyrite in calcite/quartz breccia from approximately 160-162m that returned assay results of 7.66% Cu - chalcopyrite (34.6% copper metal)

Detailed assay results of DODH456 include;

DODH456		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	41m @	1.33%	1.22%	148	-	147m -	188m
including		26m @	1.83%	1.73%	160	-	156m -	182m
including		12m @	2.60%	2.46%	224	-	156m -	168m
including		3m @	6.17%	6.03%	380	-	160m -	163m
and		3m @	3.16%	2.99%	276	-	173m -	176m

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

DODH456 was an angle hole designed to test the high-grade mineralised zone intersected by numerous pit-dewatering bore holes towards the end of 2012, however appears to have only skirted the top of the target zone due to the drill hole lifting more than anticipated during drilling...see *Figure 5*. Higher-grades may be expected deeper into the mineralised structure and will be targeted in subsequent drilling from the north.

The second diamond drill hole for the year (DODH457) is a geologically important vertical hole designed to twin NVB018 and provide important structural information prior to drilling the next angle hole to test the high-grade zone, which will be a scissor hole to DODH456.

Depending on results of ongoing drilling, additional rigs (including an RC for pre-collaring) will be assigned to expedite the diamond program.

Results are awaited for two additional pit-dewatering bore holes that were drilled at the end of 2012 that also intersected visually high-grade copper mineralisation, and results are awaited for diamond drill hole DODH457, an important twin hole to NVB018.

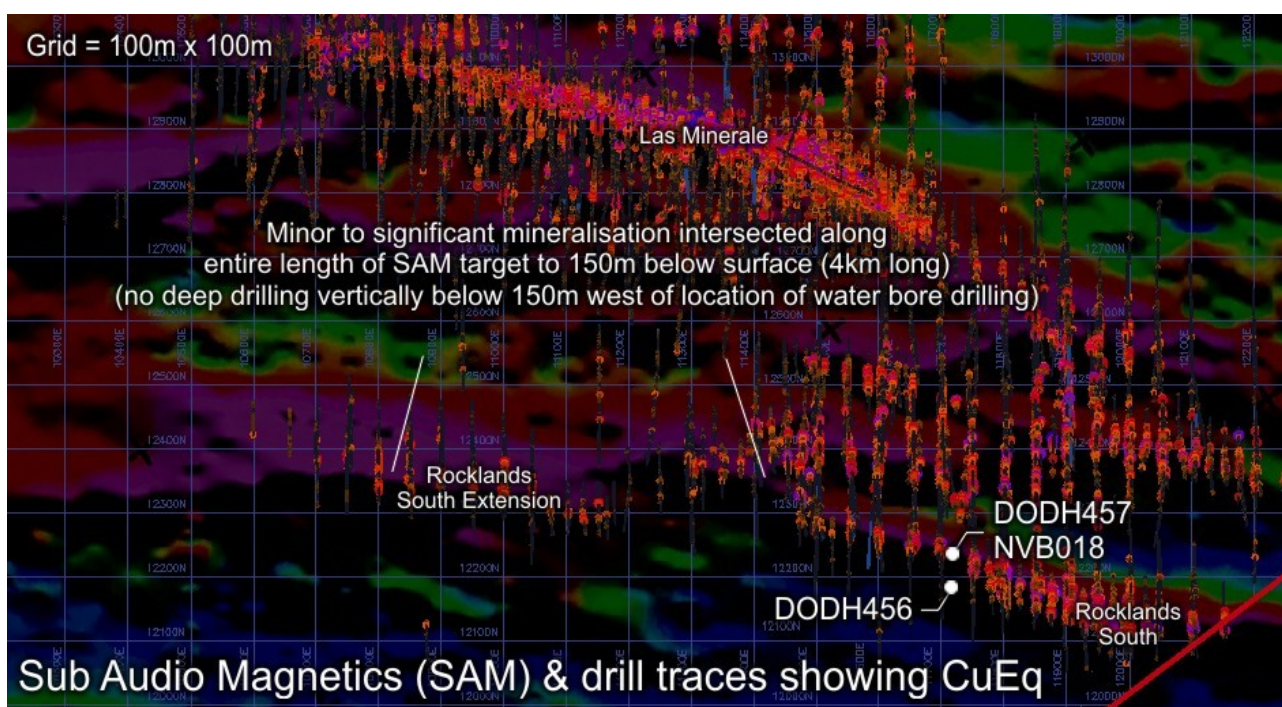


Figure 4: Rocklands drill traces with CuEq values shown and location of pit-dewatering bore holes that hit significant zones of high-grade mineralisation. Initial 1.2km potential extension target zones (dashed line) will be followed up in a 2-stage diamond drilling programme.

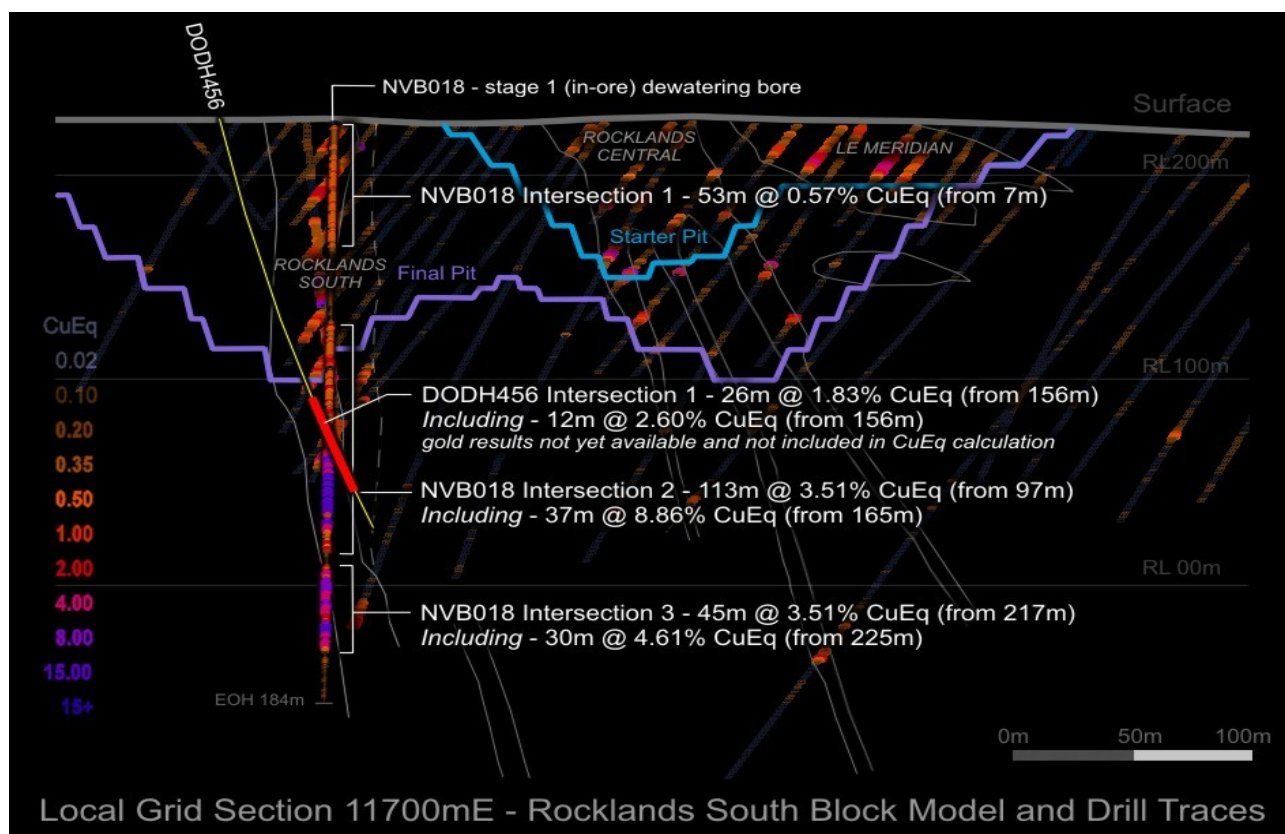


Figure 5: Cross section (11700mE +/- 12.5m) at the eastern end of the Rocklands Group of orebodies including Rocklands South orebody (left) with the location of vertical pit-dewatering bore hole NVB018 that hit significant zones of extremely high-grade mineralisation both within and outside of the existing block model and angled diamond drill hole DODH456 that skirted the top of the high-grade zone.

Significant Targets Identified from Sub Audio Magnetics (SAM) Survey at new EPM18054

Geophysical surveys were completed over the Company's new EPM18054. Located immediately to the south-west of our flagship Rocklands Group Copper Project, EPM18054 shares a common boundary point with the Company's existing Mining Leases, and provides both strategic significance and exploration attraction...see Figure 6.

SAM has been an invaluable tool in identifying potential copper-bearing structures at Rocklands with a remarkably high success rate.

Two key areas have been highlighted for immediate investigation from the recent SAM surveys;

- Large scale conductivity target identified with prospective strike direction and characteristics similar to Company's flagship Las Minerale orebody.
- Significant Chargeability target (off-time IP) along strike from known copper occurrences identified during historic exploration activity immediately west of the EPM18054 boundary

Open-file exploration reports¹ held at the Department of Natural Resources and Mines Queensland (DNRM) indicate copper mineralisation was intersected in numerous historic diamond drills holes adjacent to the western boundary suggesting the presence of a wide-spread copper-rich mineralising system that significantly upgrades the prospectivity of geophysics targets identified in the western half of EPM18054.

Note 1; Historic drilling results sourced from open-file exploration data held at the Department of Natural Resources and Mines Queensland (DNRM), whilst generally reliable, should be treated as indicative only and not relied upon in isolation.

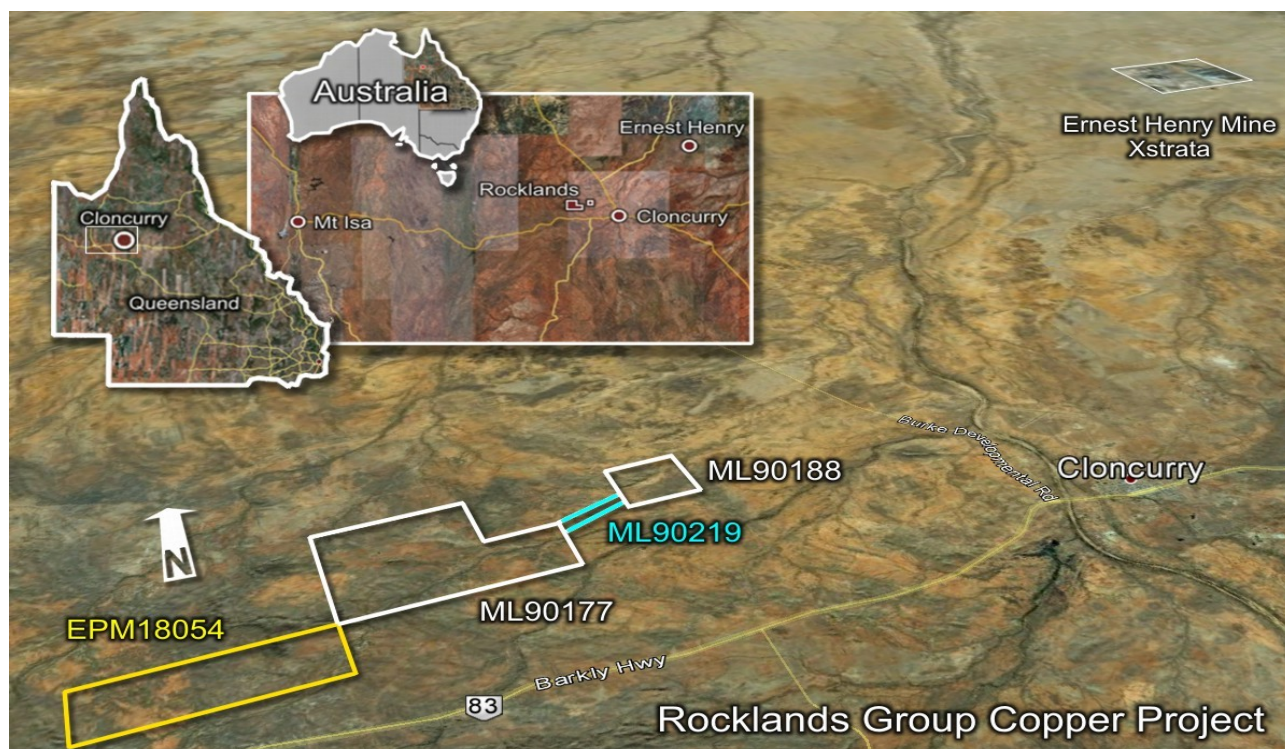


Figure 6: New EPM18054 (yellow), existing Mining Leases ML90177 and ML90188 (white) and interconnecting Corridor ML90219 (cyan).

Exploration to Begin on New EPM18054

Preliminary desk-top investigations, field reconnaissance and results of the recently completed geophysical surveys of the Company's new Exploration Permit EPM18054 has identified numerous zones for immediate detailed field investigation.

There are no records of previous drilling activity within the new EPM area, however state records show historic drilling campaigns have been conducted adjacent to the western boundary, where minor and significant intersections of both copper and gold were encountered, and to the north, where zinc was also encountered in historic drilling. Anecdotal evidence also exists of numerous copper shows, according to local "old-timers" known to the Company, who have explored the area on-and-off over the last 40 years...these areas do not appear in state records and will be systematically investigated in due course.

Geology

EPM18054 is considered highly-prospective, with the eastern half of the tenement covered by large bodies of dolerite intruding into the Overhang Jaspilite Unit. The Overhang Jaspilite Unit contains the majority of Cu-Co-Au mineralisation within CuDeco's Mining Lease. Rocklands Cu-Co-Au style mineralisation is closely related to dolerite intrusions within the Overhang Jaspilite copper corridor.

The basal geological unit within the area is the Argylla Formation (1775-1790Ma) overlain by Bulonga Volcanics interpreted as being of similar age to the Marraba Volcanics (1755-1770Ma). The Argylla Formation and Marraba Volcanics occur in an early volcanic stage of extension in Cover Sequence 2. The region then went through an extensional period of sag with the deposition of the Mitakoodi Quartzite (1755-1760Ma), Overhang Jaspilite (1750-1755Ma) and Corella Formation (1740-1760Ma). Post deposition of these units, the region has gone through several extensional and compressional tectonic events that gave rise to Cover Sequence 3 (1590-1700Ma), which outcrops to the north and east of the new EPM location, then followed by the Isan Orogeny.

Mineral Occurrences and Previous Workings

Several previous workings and mining leases are known in and around EPM18054 covering multiple commodities.

Previous mining leases include; Donna Maree (Ag, Cu, Ni and U); Black Prince (Cu), Edward No 1, 2 and 3 (Cu) and Black King No 1, 2, 3 and 4 (graphite) and; Volcano (Au).

Desmo and Priceless (Cu-Au) are hosted in the Milo beds, similar to the stratigraphy that hosts the nearby recently discovered REE Milo deposit of GBM Resources Limited (ASX:GBZ). There is potential for a number of commodities with varying styles of mineralisation to occur on EPM18054, each of which will be investigated over the coming 12 months.

Major Targets Identified (see Figures 7, 8, 9, 10 and 11)

1. Coincident magnetic-low/high contact and conductivity-high - possible mineralised structure?
2. Coincident magnetic-low/conductivity-high - possible offset mineralised structure associated with historic copper intersections to west?
3. Chargeability-high (moderate off-time) - possible disseminated sulphides, along strike from historic copper intersections to west?
4. Coincident magnetic-high/conductivity-high - possible magnetite rich structure?
5. Coincident magnetic-high/conductivity-high/short-time IP high (<5ms) - possible disseminated sulphides?
6. Coincident magnetic-high/conductivity-high/short-time IP high (<5ms) - possible mineralised structure?
7. Coincident magnetic-low/high contact and conductivity-high - possible mineralised structure?
8. Coincident magnetic-low/high contact and conductivity-high - possible mineralised dilation/structure?

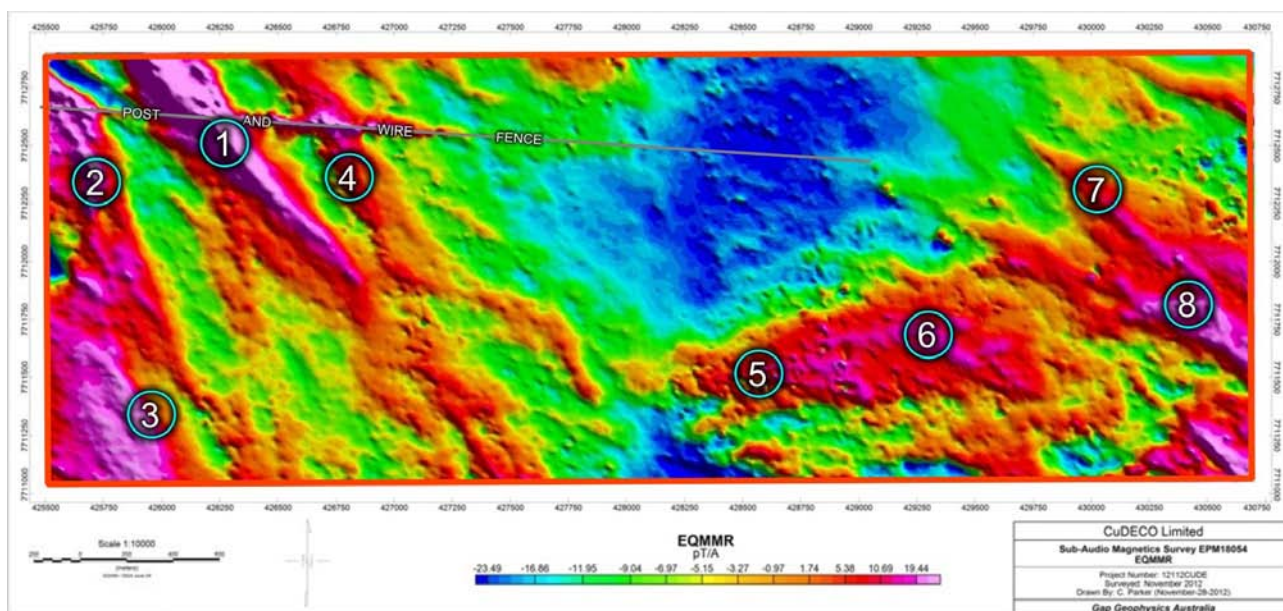


Figure 7: Sub Audio Magnetics (SAM) Survey over EPM18054 - EQMMR (conductivity)

Rocklands Style Mineralisation

Rocklands style mineralisation is dominated by dilational brecciated shear zones, throughout varying rock types of the Overhang Jaspilite Unit, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper.

Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation and alteration exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite persists from the surface through the oxidation profile, and remains open at depth.

Previous Exploration Activity

Records prior to 1980 are scant, however since 1980 the area covering the EPM has been held by; Rio Tinto (Formerly C.R.A.E 1981 – 1988); Western Mining Corporation (WMC 1989-1990); Dominion Mining (1992-1994); North Ltd (1995 – 1997) and; Xstrata (2002 – 2009).

It appears very little exploration has been conducted by these groups over the area covered by EPM18054.

CRAE were conducting exploration for Volcanogenic Hosted Massive Sulphide (VHMS) deposits, and Dominion Mining and North Limited undertook significant exploration work looking for base metal (+/- gold) in the 1990's. Records suggest Rocklands style mineralisation has never been targeted within EPM18054.

Previous Geochemical Surveys

Historic geochemical surveys over the EPM have been limited to stream sediment sampling, but was later determined to be of insufficient exploration value in low flat-lying areas due to the presence of high levels of acid buffering minerals (ie. Carbonates), that inhibit the mobilisation of indicator elements such as Cu, Pb and Zn within the soil profile of the area in question. Experience at Rocklands indicates elevated mineralisation in soil and bedrock surveys only persists for a few lateral metres adjacent to, or directly above orebodies. For this reason a close space soil and bedrock geochemical programme is planned over

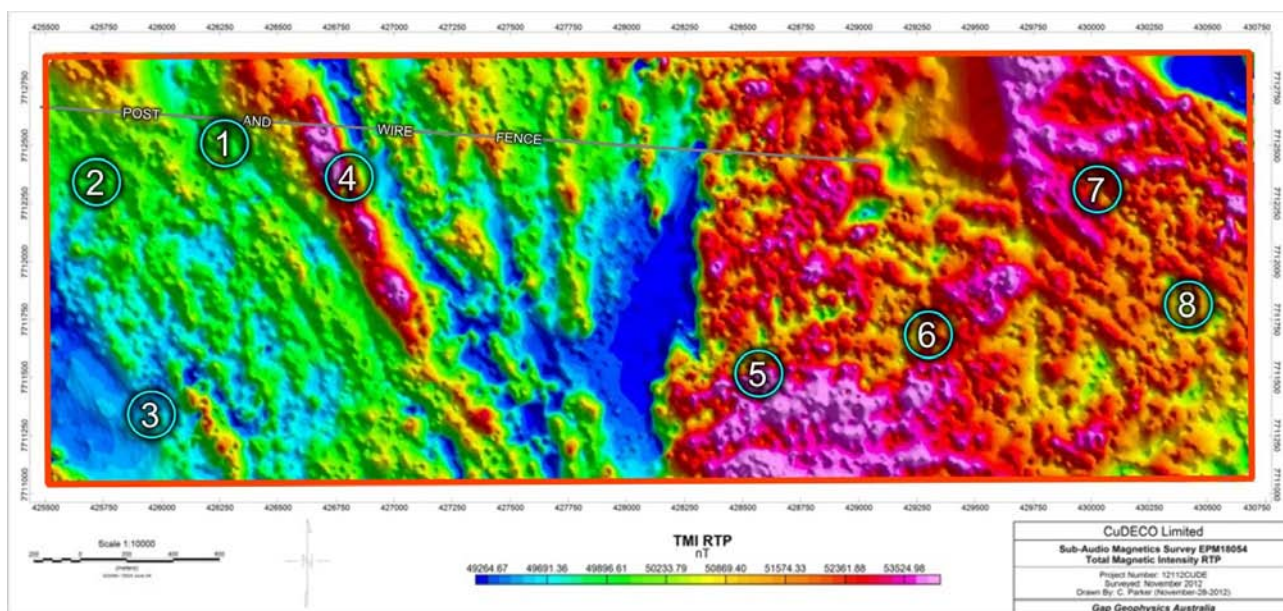


Figure 8: Sub Audio Magnetics (SAM) Survey over EPM18054 - TMI (total magnetic intensity) RTP (reduced to pole)

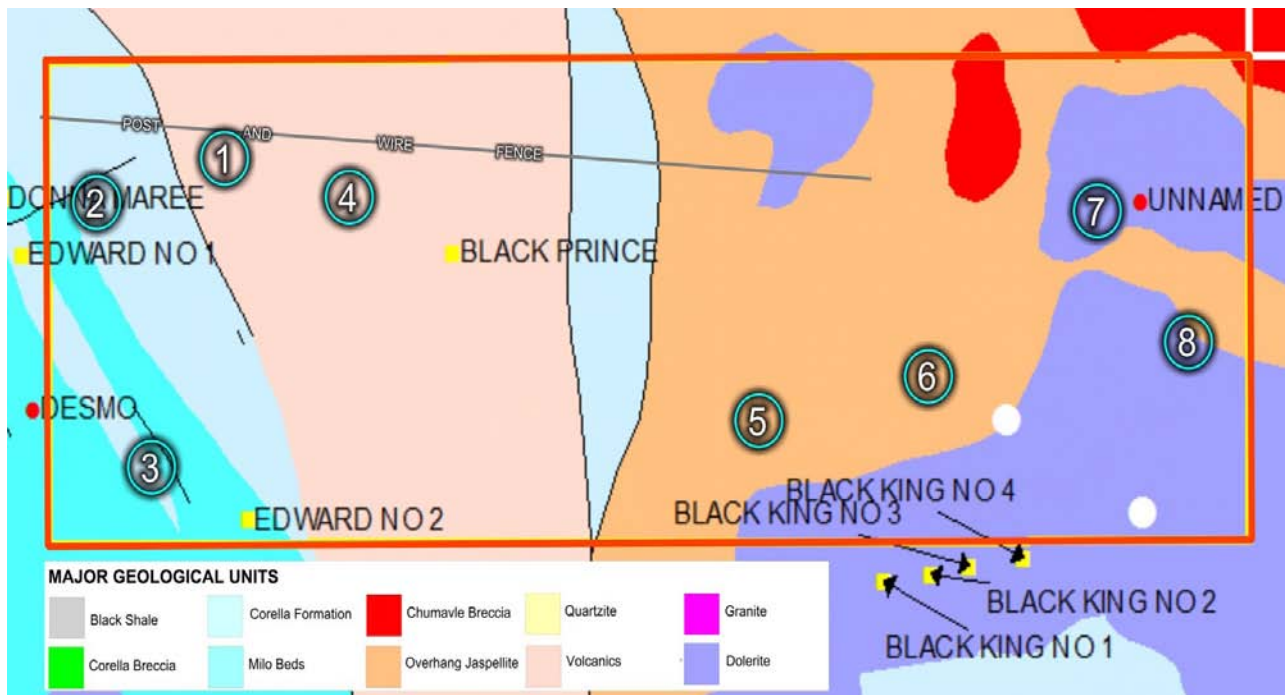


Figure 9: Mineral occurrences and previous workings locations around EPM18054.

the EPM, similar to the original programmes conducted at Las Minerales.

Previous Geophysical Surveys

In 2008, Xstrata conducted a regional airborne radiometric and magnetic geophysics programme that also covered EPM18054. The magnetic image clearly shows the distinction between the western (Tommy Creek Block) and eastern (Overhang Jaspillite Unit) of the EPM.

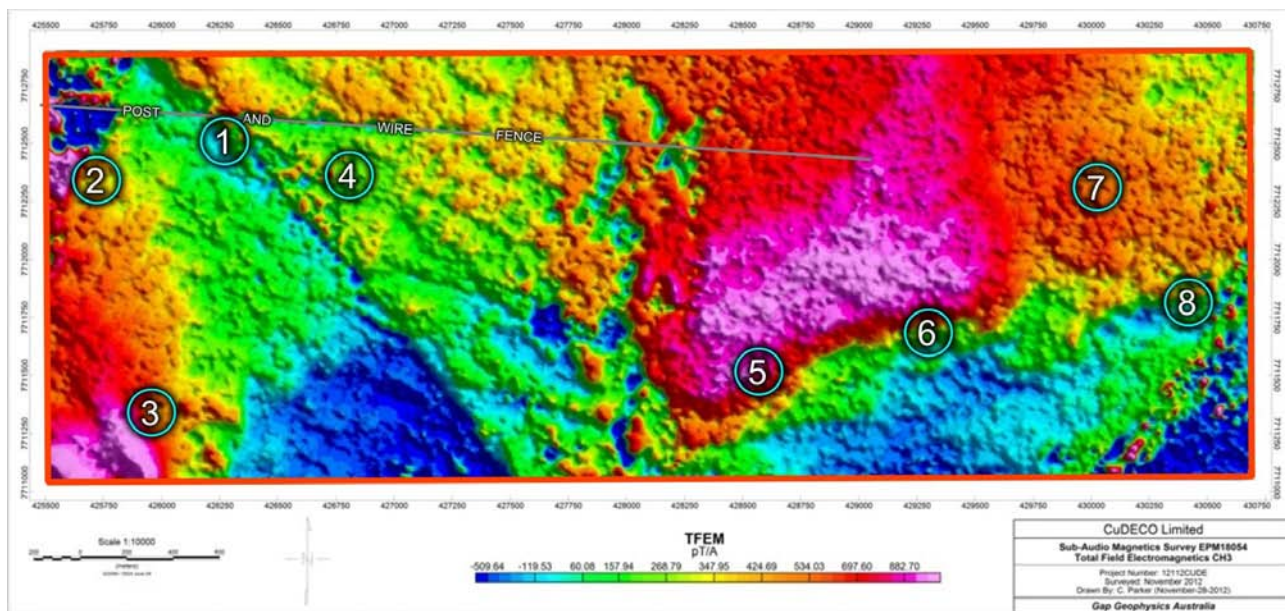


Figure 10: Sub Audio Magnetics (SAM) Survey over EPM18054 - TFEM (off-time EM/IP ch3 - EM dominated)

Initial Ground Reconnaissance

Initial ground reconnaissance has discovered limited outcrop over vast alluvial plains. The geomorphology appears similar to that found over the main Rocklands mineralised areas, where Las Minerale remained undiscovered by previous explorers due to being obscured under an alluvial plane.

On the south-east side of an alluvial plain identified in EPM18054, copper minerals malachite and chalcopryrite have been located. Structural measurements within the vicinity of the copper occurrence indicate identical structural orientations to the Rocklands group of deposits.

Rock-chip samples containing copper minerals have also been recovered in the south-west corner of the EPM18054, along strike from known copper discoveries proximal to the western boundary, and also

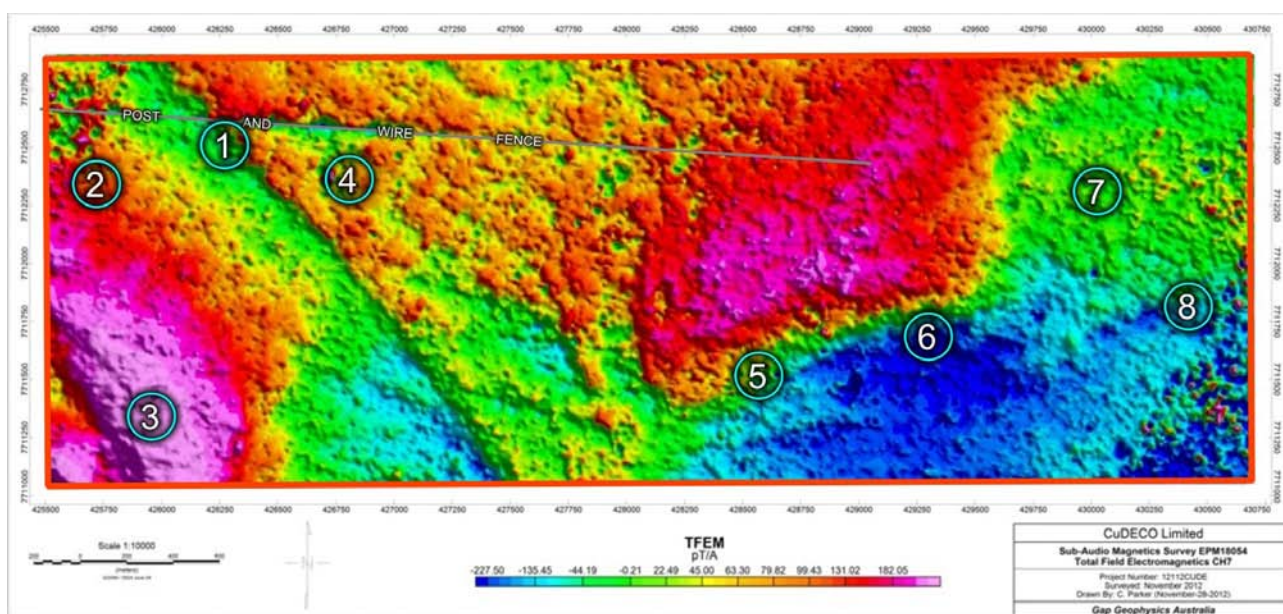


Figure 11: Sub Audio Magnetics (SAM) Survey over EPM18054 - TFEM (off-time EM/IP ch7)

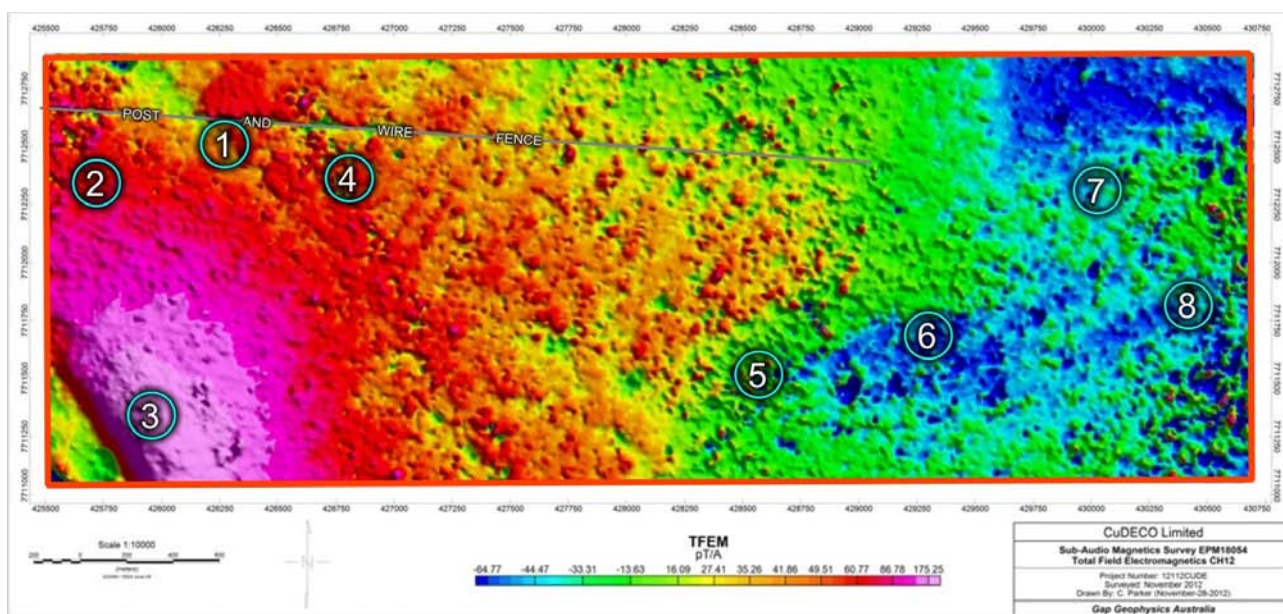


Figure 12: Sub Audio Magnetics (SAM) Survey over EPM18054 - TFEM (off-time EM/IP ch12 - IP dominated)

corresponding with one of several large geophysical anomalies

Forward Programme

An initial surface sampling programme will be conducted over the entire EPM18054 on a 200m line spacing with samples taken every 20m along each line. The line spacing will be reduced to 100m over the eastern and western thirds of the EPM18054 where the prospective Overhang Jaspilite Unit and identified dolerites are known to host Rocklands style mineralisation in the east and where significant geophysical anomalies and copper minerals in rock-chip samples have been identified in the west.

Bedrock drilling will be used in areas where alluvial plains have been identified in order to penetrate through the surface cover and provide more reliable geochemical response.

Several of the more prospective targets, where copper minerals have already been identified at surface, may be drilled prior to the completion of surface geochemical sampling.

Unusually Dry “Wet-season” Facilitates Trouble-free Progress of Development Activities at Rocklands, Including Major Earthworks, Road Building and Infrastructure Construction.

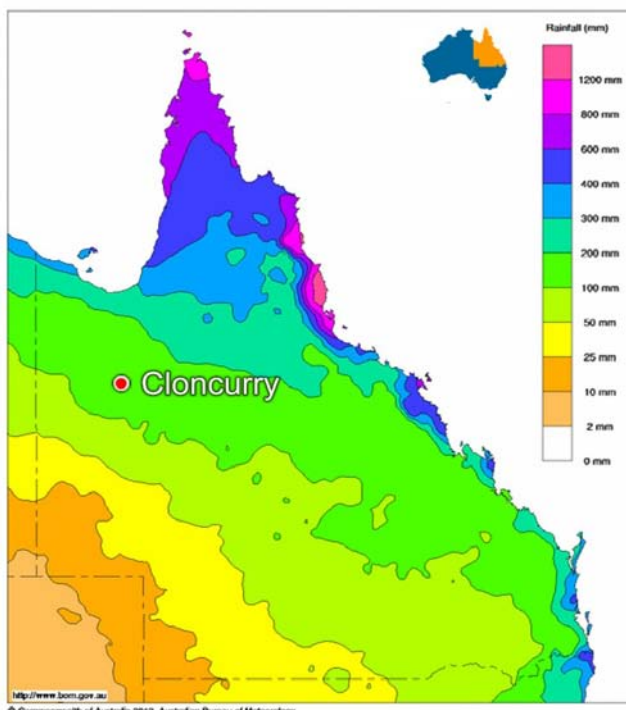
In a stroke of luck for the Rocklands Group Copper Project, the Cloncurry area has seen relatively little rain so far this wet-season, greatly enhancing the Company’s capacity to progress various earthworks and site development activities unhindered.

In previous years the Company’s Rocklands Mining Leases have seen up to 1m of rain over similar periods.

The Australian Bureau of Meteorology’s forecast for the Cloncurry region to April 2013 indicate marginally to slightly above median rainfall averages might be expected over the next few months, suggesting Cloncurry’s 2013 “wet-season”, on average, will be one of the driest in recent years.

Minor rainfall in small doses is actually advantageous for the project, and forecasts suggest we may expect near optimal rainfall patterns over the coming months.

Rain Outlook: 75% chance of exceeding 1 February to 30 April 2013
Product of the National Climate Centre



Chance of exceeding the median Rainfall February to April 2013
Product of the National Climate Centre

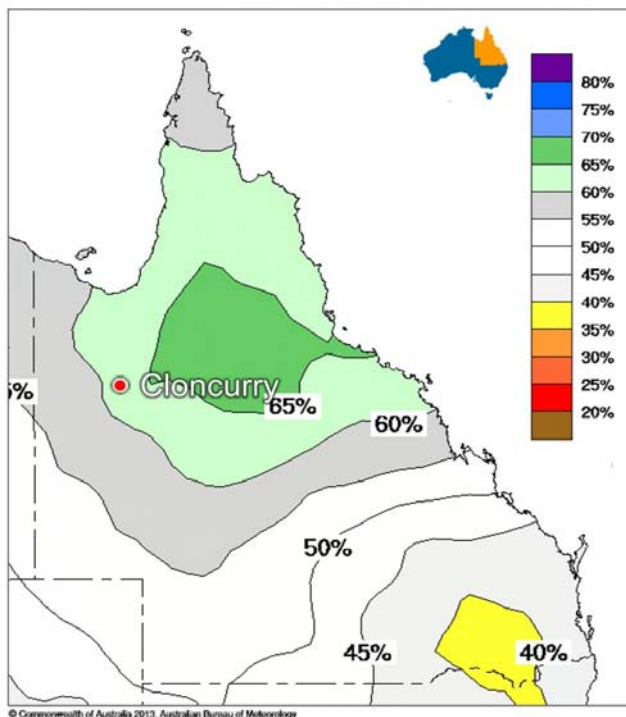


Figure 13: Bureau of Meteorology maps of Queensland showing forecast chance of exceeding various rainfall averages (above) and chance of exceeding median rainfall averages in the period February to April 2013 (below)

Additional accommodation cabins and 8 additional houses constructed in Cloncurry

The Company's Cloncurry Office and Accommodation Complex has been expanded to now include 38 self-contained cabins and associated infrastructure including shared kitchen and meals facility, laundries and various outdoor common use areas such as BBQ's and recreation areas, adding to the Company's Cloncurry accommodation inventory. The Company's view is to generate an environment conducive to staff retention.

Eight additional homes have also been constructed in Cloncurry to house senior staff and their families.

Of potential interest to shareholders, recent statistics published by RP Data showed that last year Cloncurry topped the list of property value increases throughout the state of Queensland, with 49.5 per cent growth.

500 Tonnes Per Hour Primary and Secondary Crushing Circuit Arrives at Site - Construction and Installation Commences

Construction of the 500 tonnes per hour Primary and Secondary Crushing Circuits commenced immediately after the Christmas break following deliveries of various components of the Crushing Circuit that commenced towards the end of 2012.

Approximately 175 sea containers were expected to arrive on site in the initial delivery period to the end of January and a further 200 sea containers were expected by the end of February/early March.

Final shipments of the remaining processing plant components, which are being delivered from Japan and Germany, are due for arrival by the end of April 2013.

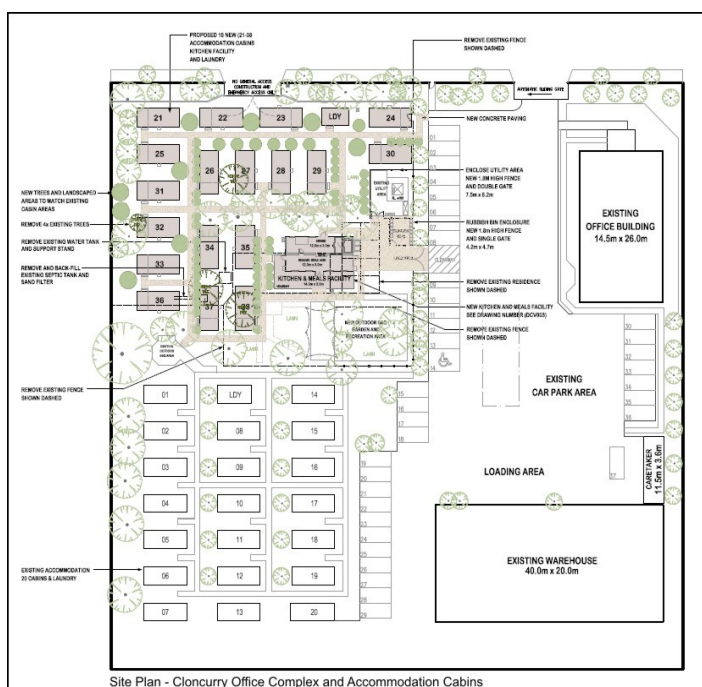


Figure 14: The Cloncurry Office and Accommodation Complex has been expanded to now include 38 cabins and associated infrastructure including shared kitchen and meals facility, adding to the Company's Cloncurry accommodation inventory.

QUARTER HIGHLIGHTS - DEVELOPMENT

Numerous Blasts Took Place During the Quarter Along the Morris Creek Diversion Channel and Within the Las Minerale Pit Areas.

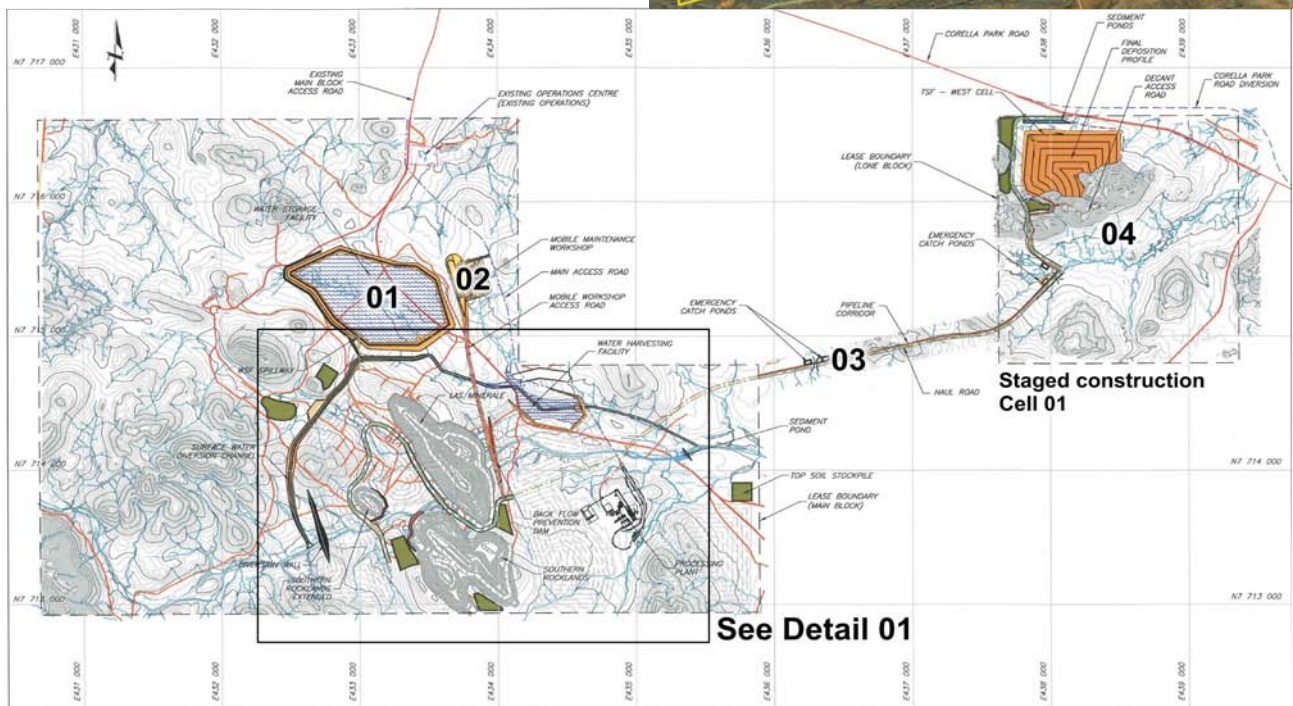
Development of the Rocklands Group Copper Project, located just outside the major regional township of Cloncurry in Queensland Australia, continues to advance on schedule and under budget.

Numerous shots (blasts) have taken place since the first shot of the project back in early September 2012, and high-intensity development activity is occurring across a wide expanse of the Rocklands Group Copper Project.

Important activities, particularly the various water diversion requirements that needed to be completed prior to the onset of the wet-season rains, have been completed or are at a sufficient stage to be able to withstand heavy rains which are yet to arrive in Cloncurry and according to the Bureau of Meteorology forecasts, are not likely to adversely impact the Rocklands Project area this season.



Figures 15-19: Water Storage Facility Key-way blasting. Top 2 images (15 & 16); blast commences and the dust settles. Bottom left to right (17, 18 & 19); detonation preparation at the blast observation point and blast-rock left at surface in the blast area.



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

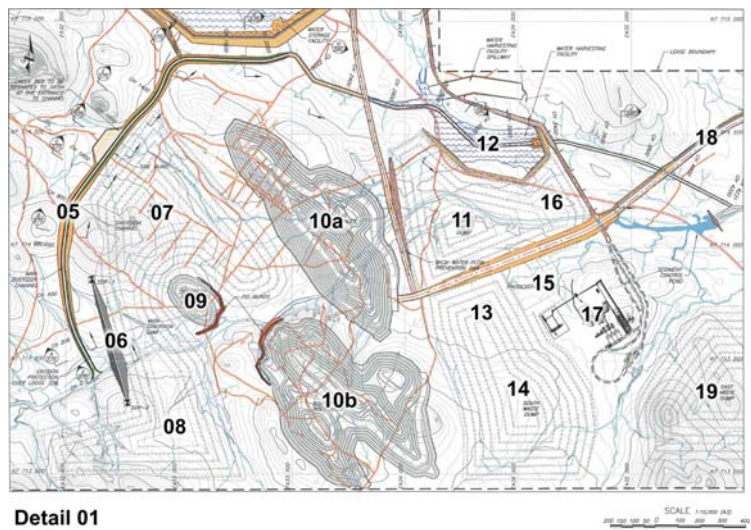


Figure 20: General Arrangement plans and location references.



Figure 21: Free-dig material being removed from the northern end of the Las Minerale Pit area to be used for infrastructure earthworks such as the Water Storage Facility dam walls and Morris Creek Diversion Channel embankments. Some of the material is also being positioned around the lip of the surveyed pit outline, and will eventually be shaped into safety berms (barriers at the edge of the pit) once mining commences.

Key Areas Under Development During the Quarter Included (see Figure 20 for locations):

1. Las Minerale, Rocklands South and Rocklands South Extension starter-pits
2. Las Minerale and Rocklands South surface bedrock drilling and sampling programme
3. Morris Creek Diversion Channel and dam walls
4. Infrastructure corridor, major access roads, haul roads and Tailings Storage Facility (TSF)
5. Water Storage Facility (WSF)
6. Process Plant - final design sign-off, delivery of components, site preparation and construction
7. Additional accommodation cabins constructed in Cloncurry

Las Minerale, Rocklands South and Rocklands South Extension Starter-pits...see Figure 20 for location

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

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

At the northern end of the Las Minerale Pit “free-dig” material has been removed to be used for infrastructure earthworks such as the Water Storage Facility dam walls and Morris Creek Diversion Channel embankments. Some of the material has also been positioned around the lip of the surveyed pit outline for the construction of safety berms (barriers at the edge of the pit) once mining commences.

Several blast have been undertaken within the Las Minerale Pit area to remove rock suitable for crushing, to be used for road-base and various earthworks.

Las Minerale and Rocklands South Bedrock Drilling and Sampling Programme...see Figure 20 for location

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

The purpose was to delineate shallow zones of copper



Figure 22: Sample bags remain on the various bedrock lines over the Las Minerale starter-pit area.

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

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

Morris Creek Diversion Channel and Dam Walls...*see Figure 20 for location*

Construction of the Morris Creek Diversion Channel and associated infrastructure continued during the quarter.

The Diversion Channel is required to divert water flowing through Morris Creek during the wet season away from the pit and development areas. The diversion was completed to a stage suitable to withstand heavy rains prior to the onset of the wet season, which has yet to eventuate.

Infrastructure Corridor, Major Access Roads, Haul Roads and Tailings Storage Facility (TSF)...*see Figure 20 for location*

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

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

The Rocklands Project TSF is designed for a minimum storage capacity of 30 million tonnes of tailings waste, and is designed to facilitate the 30mt of ore scheduled to be processed through the Rocklands Process Plant during the current 10 year mine plan.

The TSF is located on ML90188 (see Figure 20), where clearing and initial cut-back earthworks have been completed.



Figure 23: Second "shot" of the project...top to bottom; pre blast countdown; staged blast commences; blast continues and; the dust settles and safety inspections commence (small white car can be seen in the background to give scale), prior to excavation activities commencing.



Figure 24: Mobile crushing circuit - rock suitable for road base and concrete construction is readily available at site.

Construction of major access and heavy haulage roads continued, with supply of road-base being met by the Company's Mobile Crushing Circuit (see Figure 24). Rock types perfect for use in road-base, such as dolerite, are prolific at Rocklands, and has resulted in significant cost savings over material that may otherwise have been sourced off-site.

Approximately 5,000 bank cubic metres (BCM) was removed per day from the east waste dump area, to sheet the mine haul roads and Process Plant access roads for all-weather access prior to this years wet season, which has yet to eventuate.

Load and haul road sheeting material was also moved from the east dump area for construction of road train access roads.

Water Storage Facility (WSF)...see Figure 20 for location

Topsoil removal and stockpiling for future use in rehabilitation works has been completed, and earthmoving



Figure 25: WSF Dam wall being build up around the iron-rich clays, easily distinguished from the light coloured (Corella Formation) rocks.



Figure 26: Final stages of Morris Creek Diversion Channel construction.



Figure 27: Morris Creek Diversion Channel (left) and Water Storage Facility dam wall (right) during construction.

surface scrapers have mostly completed stripping and redistribution of clay zones identified for use in constructing water impervious layers where required for dam wall construction. A certain amount of clay has been retained and compacted to create an impervious base for the floor of the WSF to minimise water seepage losses.

Construction of the WSF has been completed to a stage suitable to withstand the on-set of the wet season and capture of rainfall, to help ensure water inventory is maximised prior to commissioning of the mineral process plant...finishing touches will be ongoing.

...continues page 24



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



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



Figure 30: Dump truck unloads rock for use in the Water Storage Facility (WSF) Dam Wall construction.



Figure 31: Pre-strip clearing of organic material and topsoil from the Process Plant area



Figure 32: Water Storage Facility (WSF) key-way construction. Located beneath the WSF dam wall, the key-way is back-filled with water impervious clays that will continue to be built up as the dam wall sides are constructed, resulting in a water-impervious inner core.



Figure 33: The iron-rich clays are easily distinguished from the light coloured (Corella Formation) rocks.



Figure 34: One of many temporary water storage areas - the image shown is at the Tailings Storage Facility (TSF).



Figure 35: Water Storage Facility (WSF) - strip-back, levelling and clay distribution all but complete.



Figure 36: Go-line 1 - equipment is parked up at various “go-lines” at the end of each shift, which are relocated from time to time following the various areas of activity...there are typically up to three go-lines in use throughout Rocklands at any one time.



Figure 37: Process Plant Stores Area during construction



Figure 38: Various components of the plant have started arriving at site and will continue to be delivered over the coming months.

Pit-dewatering and water production bore-holes will also be diverted to the WSF, adding to water inventory to help ensure continuity of water supply for the project.

Process Plant - Final Design Sign-off, Delivery of Components, Site Preparation and Construction...see Figure 20 for location

First concrete-pour took place at the Process Plant area, and concrete works were predominately completed prior to the end of the quarter, including Process Plant primary Crusher and Stores area pads.

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

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



Figure 39: Various components of the plant have started arriving at site and will continue to be delivered over the coming months. Pictured is a roller conveyor...one of many that will eventually move product from one area of the plant to another.



Figure 40: Finishing touches to Ball Mill bearing mount.

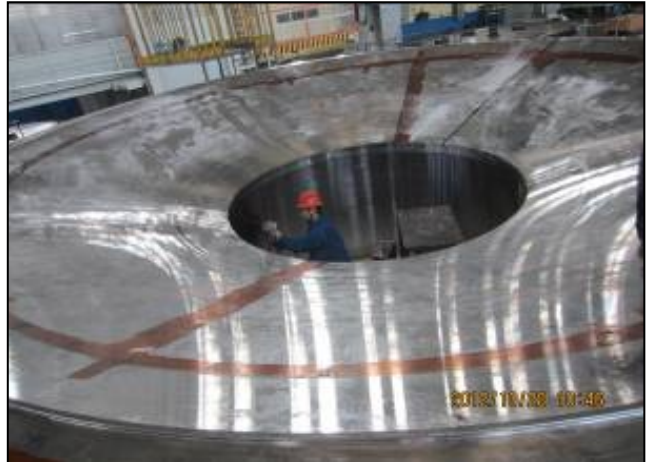


Figure 41: Finishing touches to Ball Mill bearing mount.



Figure 42: Finishing touches to Ball Mill bearing mount.



Figure 43: Finishing touches to Ball Mill bearing mount.



Figure 44: Ball Mill product discard collection sump and chute



Figure 45: Ball Mill product discard collection sump and chute



Figure 46: Various components of the plant started arriving at site during the quarter and will continue to be delivered over the coming months. Preliminary construction activities, including matching, audit and completion of component segments has commenced.

Deliveries of various components of the Crushing Circuit commenced during the quarter. Approximately 175 sea containers were expected to arrive on site in the initial deliveries to end January, with a further 200 sea containers expected by the end of February/early March.

Final shipments of the remaining processing plant components, which are being delivered from Japan and Germany, are due for arrival at end of April 2013.



Figure 47: Rolls crusher fitted with specially designed replaceable face plates. In the native copper circuit 2 crushers are placed in series; the first processes 350 tonnes per hour and is powered by 2 x 280kW electric motors and the second processes 150 tonnes per hour and powered by 2 x 220 kW electric motors.

Status of Major Components;

- Ball-mill (5800 diameter x 8300mm long) - *ahead of schedule, currently in transit from China*
- alljig® - *on schedule*
- High Pressure Grinding Rolls (HPGR) - *on schedule*
- Basic Engineering for the processing plant - *completed*
- Crusher circuit (3mtpa) on track for completion of commissioning by mid March 2012 - *12 weeks behind original schedule due to modification and upgrades by CuDeco (this does not impact overall timelines).*
- Structural steel requirements ordered for the mineral processing plant. The supply agreement requires all steel to be prefabricated prior to export to Rocklands, which will reduce the expensive costs associated with the onsite fabrication, cutting and handling. To be delivered in four shipments embarking China from February 2013, to May 2013 - *on schedule, but amended delivery timelines due to delay in crusher circuit).*
- Thickeners have been ordered - *on schedule*
- Scrubber has been ordered - *on schedule*
- Flotation cells have been ordered - *on schedule*
- Tower mills have been ordered - *on schedule*
- Tenders have been called for the Process Control System - *on schedule*
- *Detailed design engineering - on schedule*



Figure 48: First concrete-pour took place at the Process Pad and Stores area.



Figure 49: Pit dewatering activities (borehole drilling) - once completed, pumps divert the water to temporary storage facilities distributed throughout Rocklands for use in development works and will eventually be pumped to the WSF once it has been completed.



Figure 50: Process Plant Stores Area during construction

QUARTER HIGHLIGHTS - EXPLORATION

Pit De-watering Bore-holes Intersect Unexpectedly Wide Zones of Extremely High-grade Copper Mineralisation in Previously Undrilled Areas of the Rocklands South Resource - Average Grades Multiples of Those Indicated in Current Resource Estimate...also see page 3-6 for additional details.

Potential for material impact on estimated grades at Rocklands South resource, to be confirmed with follow-up diamond drilling, based on significant zones of high-grade sulphide mineralisation intersected during pit-dewatering drill programmes at Rocklands.

A total of 5 pit-dewatering boreholes intersected a previously unidentified high-grade zone of copper mineralisation within the current resource model, and three appear to have intersected a new high-grade zone outside the extents of the current resource model.

The first two holes (NVB018 & NVB038) intersected significant zones of high-grade copper mineralisation.



Figure 51: Diamond Drill core DODH457, left to right; native copper and chalcocite at approximately 33m and massive to semi-massive chalcopyrite from approximately 186-188m and 179-182m - chalcopyrite (34.6% copper metal) chalcocite (79.9% copper metal)



Figure 52: Metre after metre of high grade copper mineralisation intersected in wide-diameter pit-dewatering drill hole NVB038 - chalcopyrite (34.6% Cu metal) chalcocite (79.9% Cu metal) bornite (63.3% Cu metal) in hydrothermal breccia (assays awaited)



Figure 53: Pit-dewatering borehole drilling at Rocklands South towards the end of 2012. Significant water flow can be seen being ejected from the return pipe and samples for geological logging and assay (taken each 1m) are in the foreground - all holes intersected high-grade mineralisation

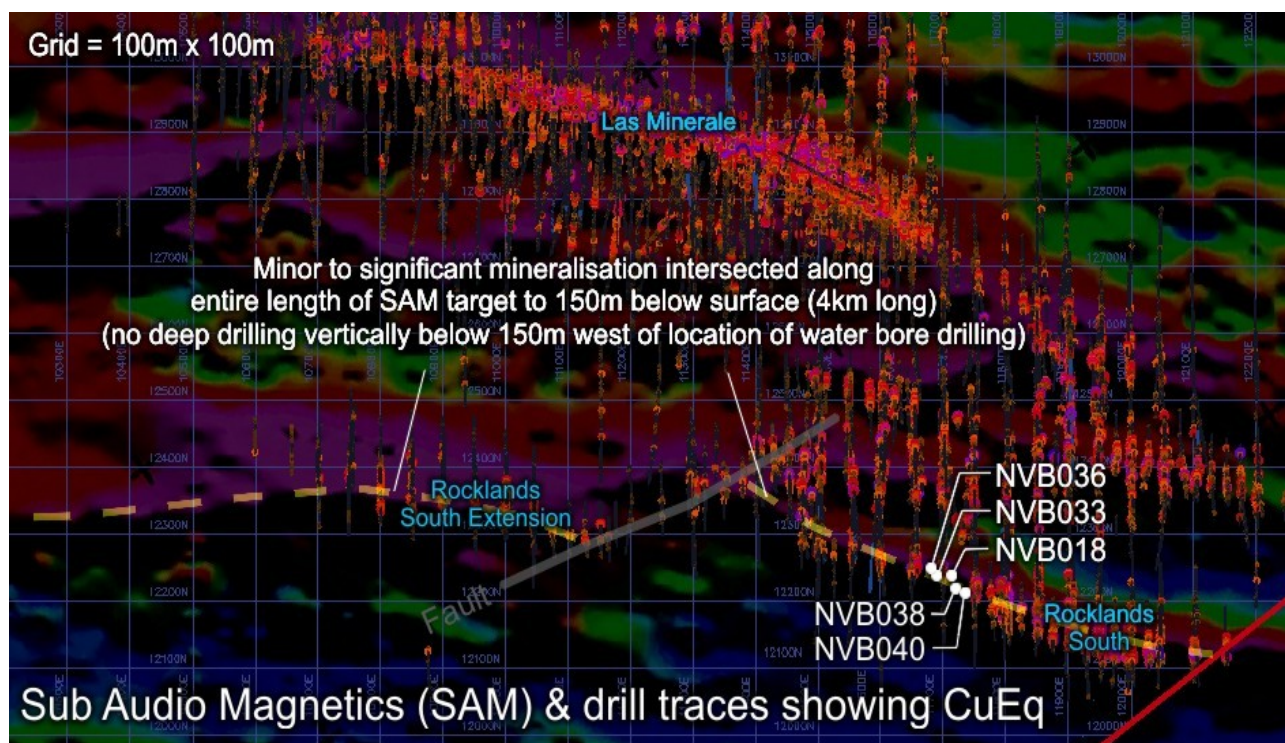


Figure 54: Rocklands drill traces with CuEq values shown and location of pit-dewatering bore holes that hit significant zones of high-grade mineralisation. Initial 1.2km potential extension target zones (dashed line) will be followed up in a 2-stage diamond drilling programme.

NVB018 Intersected;

- **37m @ 8.86% CuEq** (from 165m) within the defined resource area and;
- **45m @ 3.51% CuEq** (from 217m) in a second zone not included in the current resource model.

Due to insufficient water flow to be used as a pit-dewatering bore (minimum flow rate required is 25,000 litres per hour), a second pit-dewatering drill hole (NVB033) was located approximately 15m along strike to the west of NVB018 and successfully achieved an estimated 46,800 litres per hour water flow rate and as such will be put on production as an interim, in-ore pit-dewatering bore.

Whilst successfully intersecting water, drill hole NVB033 also intersected high-grade zones of copper mineralisation in corresponding zones.

NVB033 Intersected;

- **15m @ 4.38% CuEq** (from 187m) within the defined resource area and;
- **22m @ 3.34% CuEq** (from 240m) in a second zone not included in the current resource model.

An additional 3 pit-dewatering bore holes intersected similar high-grade zones of visual copper mineralisation including chalcopryrite (34.6% Cu metal) and chalcocite (79.9% Cu metal) both within and proximal to the defined orebody. Copper grades are anticipated to be significantly higher than those indicated in the block model.

The average grades of the high-grade copper zones appear to be multiples of the averages indicated in

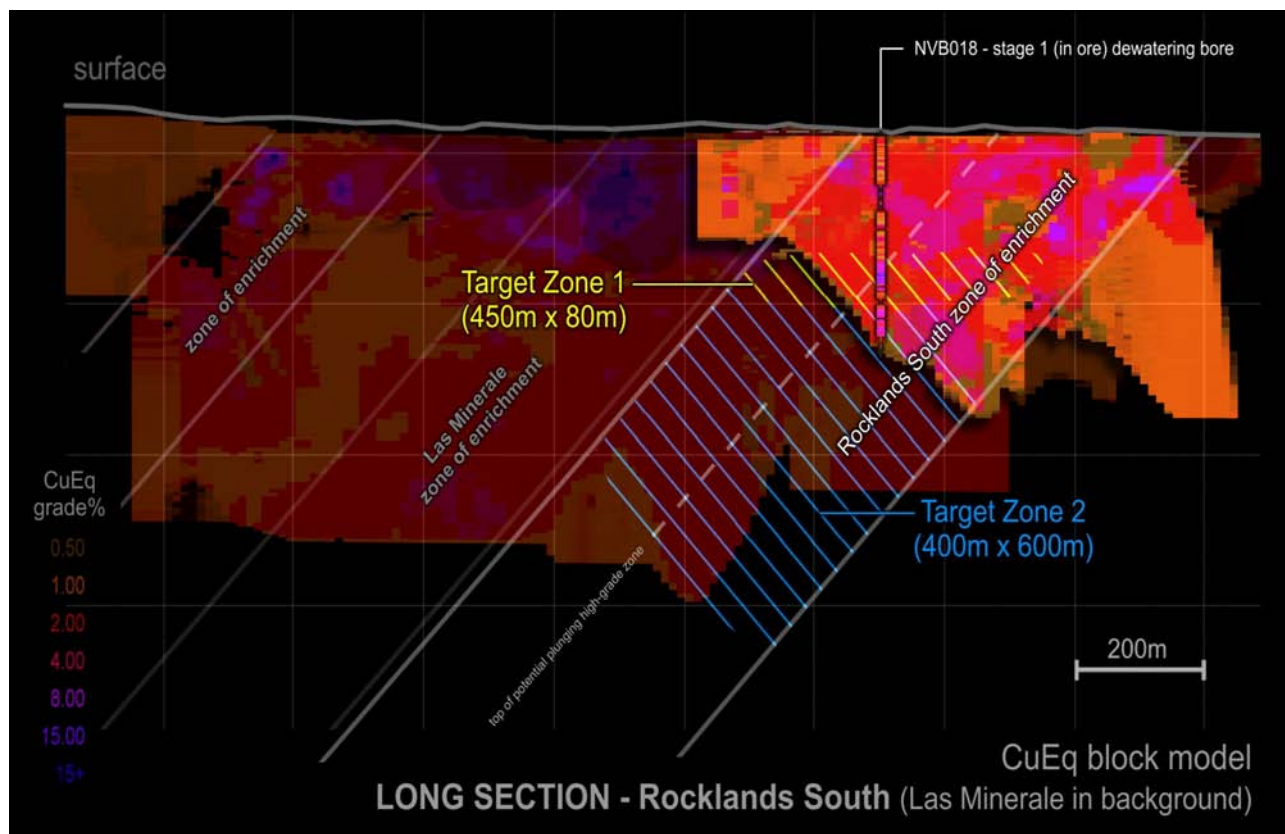


Figure 55: Rocklands South orebody 3D block model, with location of pit-dewatering bore hole NVB018 that hit significant zones of high-grade mineralisation. New potential extension target zones will be followed up in a 2-stage diamond drilling programme.

the resource block model for their respective locations. The resource block model was based on drilling that did not intersect the areas now identified to host high-grade sulphide mineralisation.

The new high-grade intersections are viewed as potential extensions of an identified plunging high-grade zone at Rocklands South (see Figure 55), which mirrors a similarly plunging high-grade zone also identified at central Las Minerale. Both of these orebodies share similar characteristics, including an extensive supergene zone that contains significant quantities of both coarse native copper and high-grade chalcocite enrichment.

The current high-priority diamond drilling programme will specifically target these newly identified high-grade sulphide zones, to delineate their extent both laterally and down-plunge, and provide important structural information that will be required should these new areas be included in the current mining schedule.

If subsequent drilling confirms lateral, down-plunge and/or down-dip continuation of these new high-grade zones, it could potentially have a material impact on the current resource estimate for Rocklands South and by extension an upgrading impact on the Rocklands Resource.

Economic studies have been conducted to determine potential implications of this new high-grade zone on current mining schedules, and to investigate if they can be accessed via the current open-cut mining model, or whether underground access options may be more economically attractive.

The results of the current diamond drilling programme will be critical to this study.



Figure 56: Wilgar Twin-hills, as viewed from the top of the nearby Breccia Hill, with indicative outline of currently identified Wilgar mineralisation (dark and light shading). The dark shaded area is the shallow mineralised outline identified to date from bedrock drilling. The light-red shaded area is the interpreted sub-cropping high-grade zone which is up to 15m wide. Mineralisation remains open along strike to the west, north, and at depth. Uranium mineralisation has not previously been specifically targeted.

New Sub Audio Magnetism (SAM) Surveys Conducted at Rocklands.

A significant geophysics programme was completed over numerous locations across the Rocklands Project ML90177 and the Company's new EPM18054. Sub Audio Magnetism (SAM) has been an invaluable exploration tool with an amazing success rate for identifying mineralisation at Rocklands, particularly when incorporated with surface geochemical analysis.

Standard resolution grid (similar to that previously used at Rocklands to identify the Las Minerale orebody), was used for the new EPM18054 survey, and high-resolution close-spaced grids were applied at the Wilgar and Fairfield Prospects.

Results of the high-resolution grids at both Wilgar and Fairfield have potentially identified numerous, previously unknown structures thought to be associated with mineralisation.

The SAM Geophysics Survey included the following data acquisition and processing;

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

High-resolution Sub Audio Magnetism (SAM) Geophysics at Wilgar Highlights Previously Unidentified Structures Thought to be Associated with Mineralisation.

One of the most exciting prospects at Rocklands, in addition to the Company's world-class JORC compliant copper resources (currently being developed), is the Wilgar Prospect.

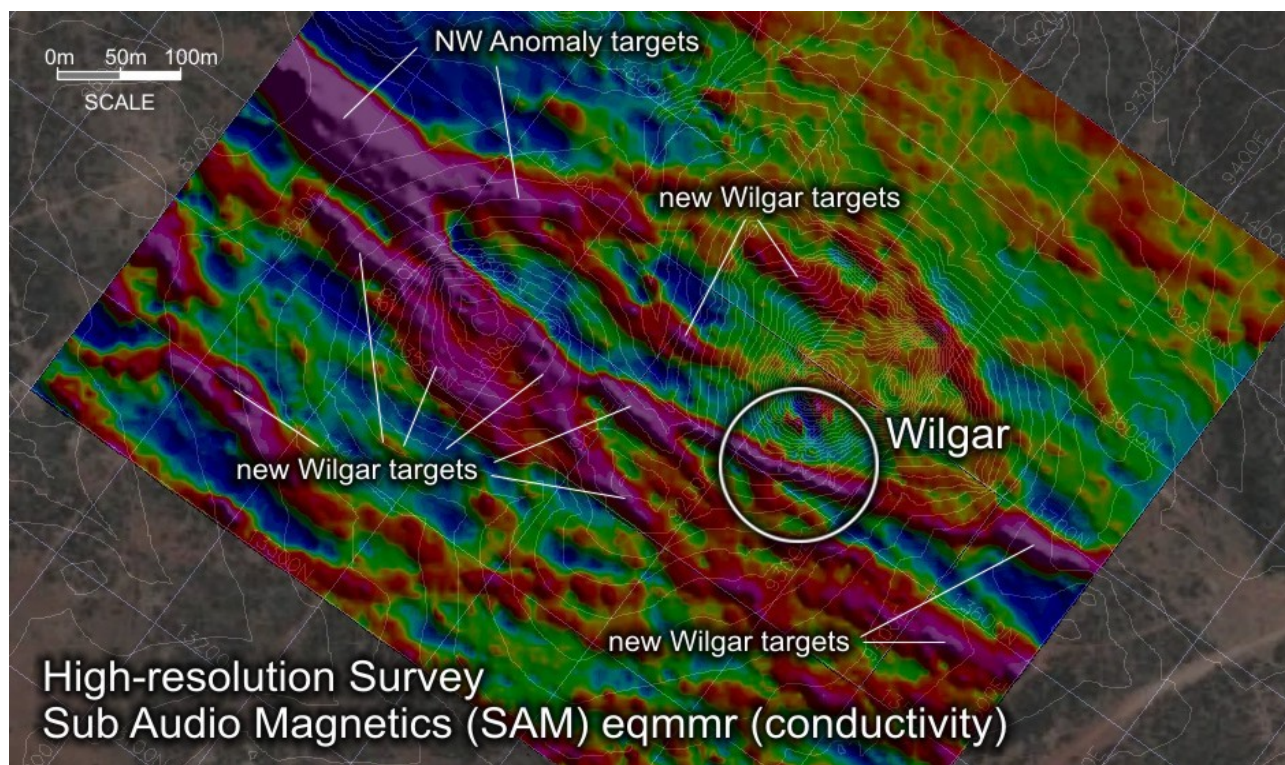


Figure 57: New high-resolution SAM survey (eqmmr - conductivity), at the Wilgar Prospect (Au, Ag, U, Te, Mo) and extending to the North-west Anomaly Prospect (Cu, Co, Au, Ag, Mo), most of which is hidden from surface beneath the Corella Formation

Wilgar is a unique and separate Polymetallic Prospect, for which a resource estimate has not yet been completed, located approximately 1.6km to the north-west of the flagship Las Minerale resource, and includes the following high-grade intersections;

Gold; 9m @ 97.9 g/t Au - Diamond Drill Hole DODH248 (from 5m)

Silver; 10m @ 250 g/t Ag - Diamond Drill Hole DODH285 (from 5m)

Uranium; 9m @ 2500 ppm U - Diamond Drill Hole DODH261 (from 13m)

Tellurium; 9m @ 652 ppm Te - Diamond Drill Hole DODH248 (from 5m)

Molybdenum; 14m @ 2450 ppm Mo - Diamond Drill Hole DODH346 (from 5m)

Queensland State Government Gives Green Light to Uranium Mining

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

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

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

CuDeco to specifically target uranium for the first time in new exploration programmes planned at Wilgar and the South-west Radiometric Anomaly

The Rocklands Group Copper Project has an extensive geophysics database acquired over many years, including airborne radiometric and surface geochemical analysis, both of which have highlighted elevated radiometric anomalies of potential importance.

Drilling at Wilgar targeting gold and silver mineralisation identified numerous zones of high-grade uranium, however due to the previous ban on uranium mining in the state of Queensland, and other areas of immediate focus for the Company, the exact nature of the uranium mineralisation and potential impact on the Wilgar or other prospects, has never been fully investigated.

Wilgar Polymetallic Prospect

The Wilgar prospect was initially identified as a potential uranium prospect by CRA in 1972, after regional -scale radiometric surveys highlighted the Wilgar Twin-Hills area. Subsequent ground reconnaissance identified high-grade uranium (up to 39% U) in rock-chip samples.

It appears from historic records that gold was never tested for.

Some 35 years later, CuDeco conducted a first-pass, wide-spaced reconnaissance soil sampling programme over the area and identified anomalous base metals. Follow-up soil sampling programmes and

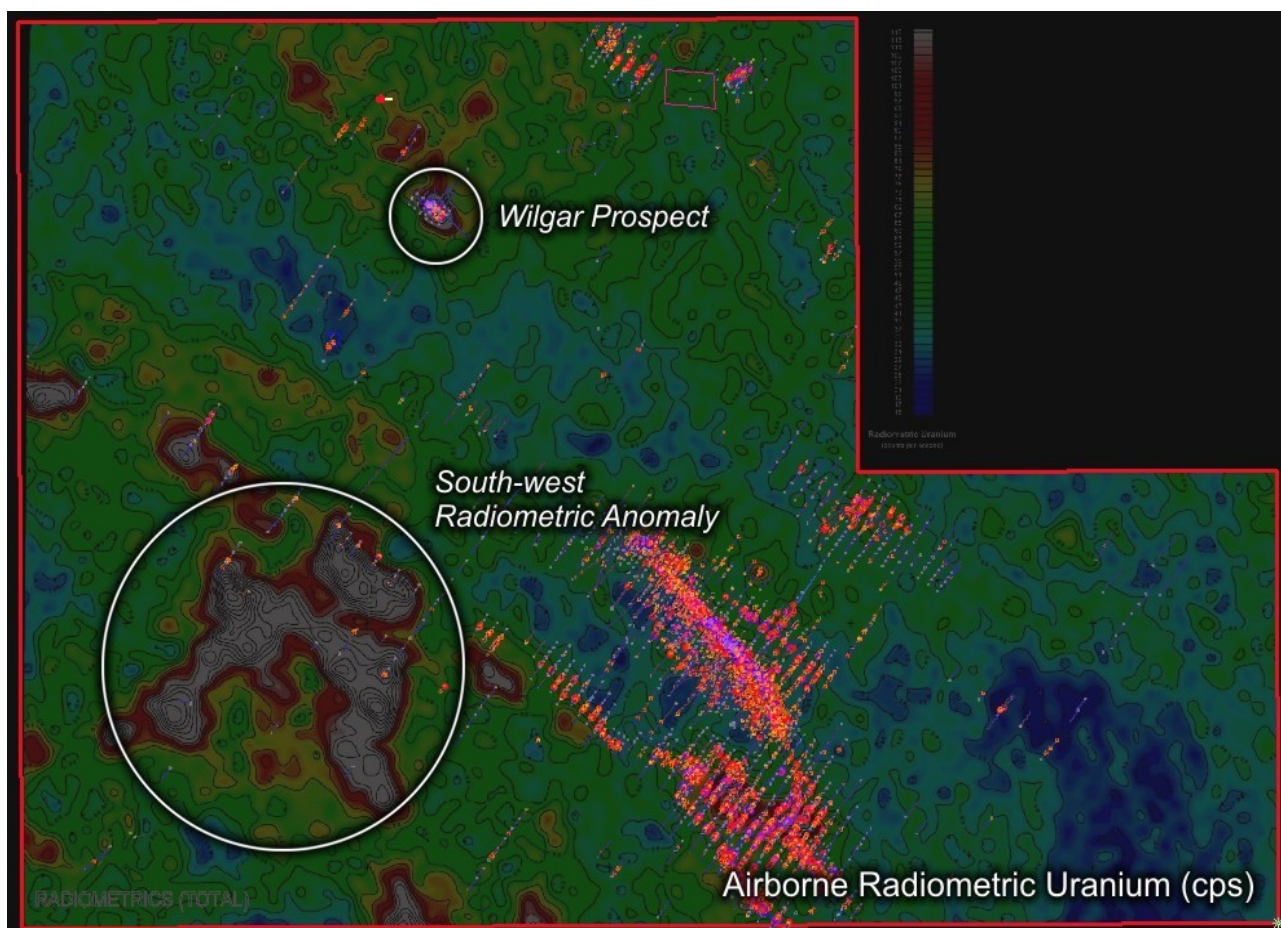


Figure 58: Airborne Radiometric Uranium Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.

a limited bedrock drilling programme subsequently identified an area at the south-west of the Wilgar Twin-hills as a potential area of high-grade gold mineralisation.

The Wilgar Prospect was first drilled by CuDeco in July 2007, however due to the low-grade nature of the copper results were not initially tested for gold (only results over 0.2% Cu at Rocklands are automatically tested for gold). During a routine results audit towards the end of 2007, it was determined Wilgar drill core should also be analysed for gold. Assay results (1m sample length) identified gold up to 63.2g/t Au and silver up to 822g/t Ag.

The Wilgar Prospect is located in the north of the Rocklands ML90177 approximately 2.1km to the north-west of the Company's flagship Las Minerale orebody.

Wilgar is the only advanced prospect identified to date, within the Rocklands ML90177, that is hosted by the Corella formation and has unique geochemical characteristics, including significant enrichment in gold (Au), tellurium (Te), silver (Ag), uranium (U), selenium (Se), molybdenum (Mo), copper (Cu), lead (Pb), and various rare-earth elements (REE). These characteristics clearly differentiate Wilgar-style mineralisation from that of the Rocklands-style copper-cobalt-gold orebodies.

The distinctive geochemical suite of elements present at Wilgar have not been observed elsewhere on the Rocklands ML and represents a discrete style of mineralisation at Rocklands and possibly for the eastern fold belt of the Mt Isa Inlier.

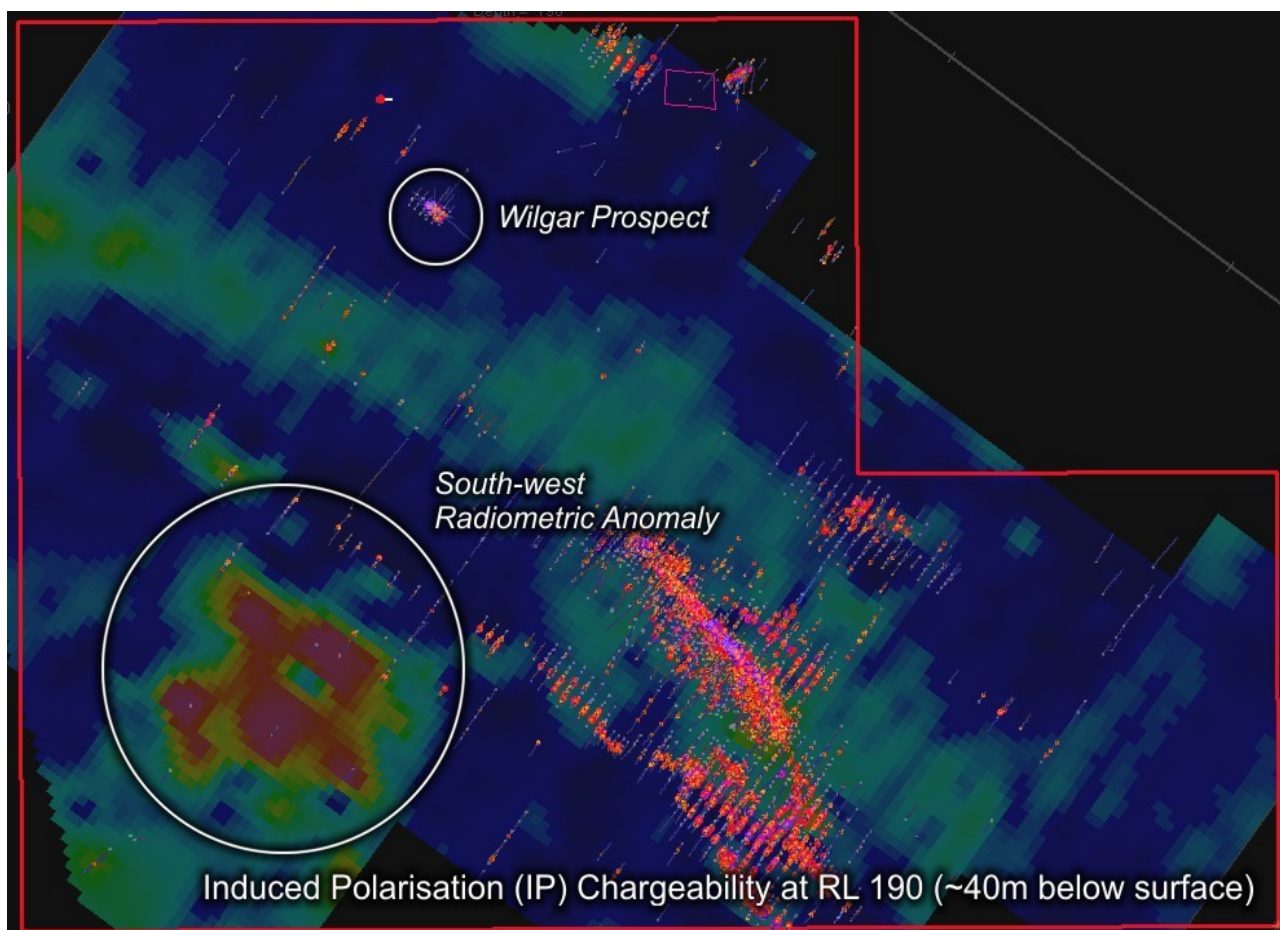


Figure 59: Induced Polarisation (IP) Chargeability Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.

Drysdallite, a rare molybdenum-selenide mineral that appears to have been identified at only one other location in the world (in the oxidation zone of a uranium deposit in Zambia), has been identified at Wilgar.

The size of the high-grade mineralised zone, which includes uranium, gold, silver, tellurium and Rare Earth Oxides (TREO), is yet to be determined and remains open in several directions.

Due to the previous ban on Uranium mining in Queensland, uranium has never been specifically targeted at Wilgar or elsewhere throughout the Rocklands ML90177...but will be in future exploration programmes.

South-west Radiometric Anomaly

The south-west area of the Rocklands ML90177 remains relatively underexplored and has long been an area of interest due to numerous geophysical and geochemical anomalies, including radiometric anomalies, and potentially prospective geology. A substantial geophysical database has been compiled for the area, including geochemical (soil sampling), programmes.

A Senior Geophysicist was engaged to aid in target generation across the Rocklands Tenement, with particular emphasis placed on the South-west Corner Prospect. Numerous forms of geophysics were analysed and a detailed and comprehensive analysis prepared. Three-D inversion modelling was also completed using existing Induced Polarisation array data. A geologically constrained gravity inversion model was also generated.

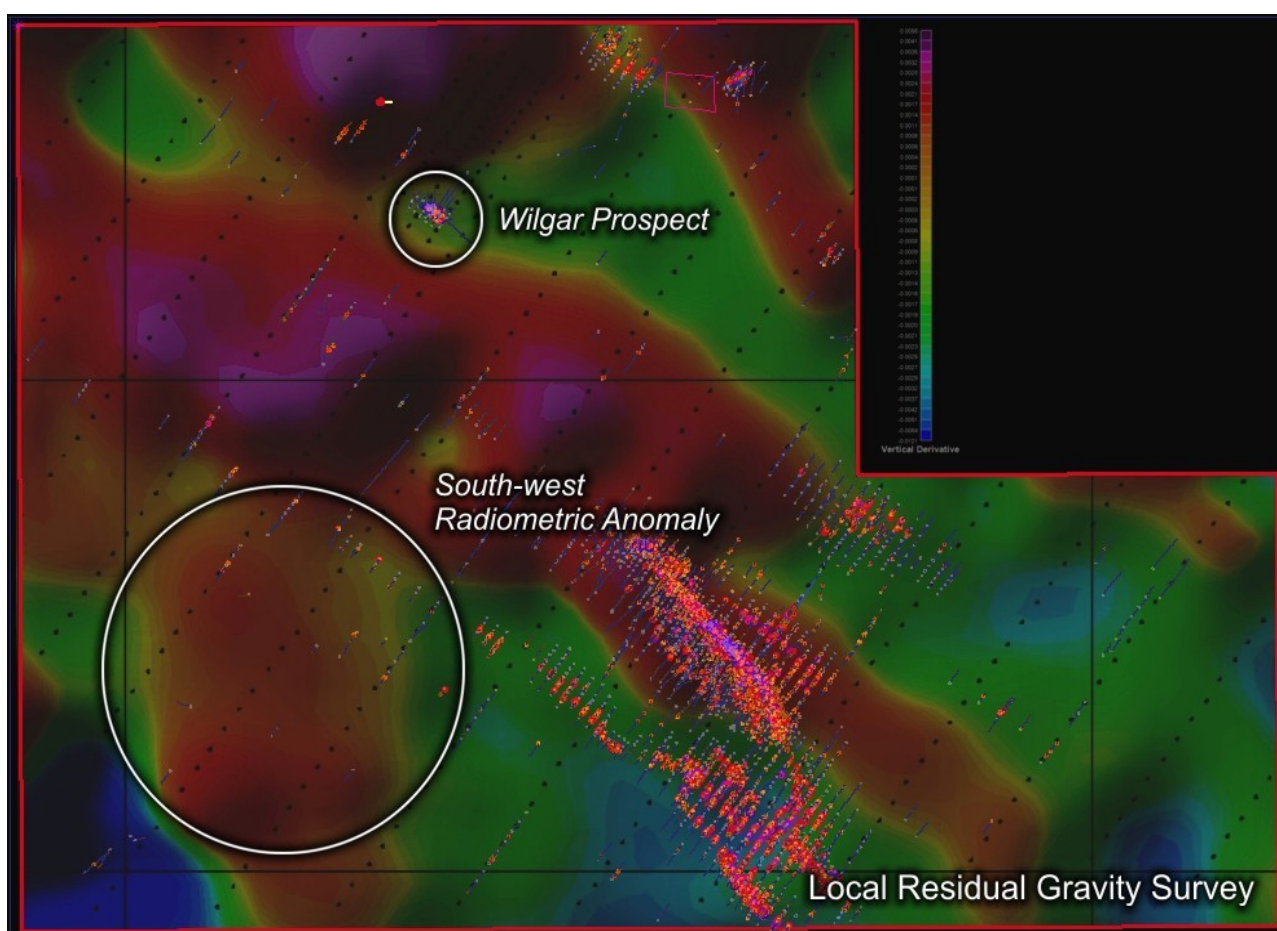


Figure 60: Local Residual Gravity Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.

High-grade gold results from Wilgar include;

DODH223		Width	Au g/t	Ag g/t	Te ppm	U ppm	Mo ppm	From	To
Intersection	1	7m @	102	71.7	720	731	0	14m - 21m	
including		3m @	229	38.6	1120	807	0	16m - 19m	

DODH247		Width	Au g/t	Ag g/t	Te ppm	U ppm	Mo ppm	From	To
Intersection	1	10m @	10	35.7	10	967	1.2	2m - 11m	
including		3m @	13.4	52.5	16.7	173	0	6m - 9m	
and		3m @	17.1	28.3	16.7	1320	2	6m - 9m	

DODH264		Width	Au g/t	Ag g/t	Te ppm	U ppm	Mo ppm	From	To
Intersection	1	14m @	80.8	109	209	646	0	1m - 15m	
including		5m @	222	221	482	730	0	6m - 11m	

DODH395		Width	Au g/t	Ag g/t	Te ppm	U ppm	Mo ppm	From	To
Intersection	1	13m @	7.8	71.5	111	91.4	65.1	1m - 14m	
including		9m @	9.28	83.6	138	33.9	79.6	5m - 14m	

Gold cut-off; 1g/t Au, with 3m allowance for internal waste

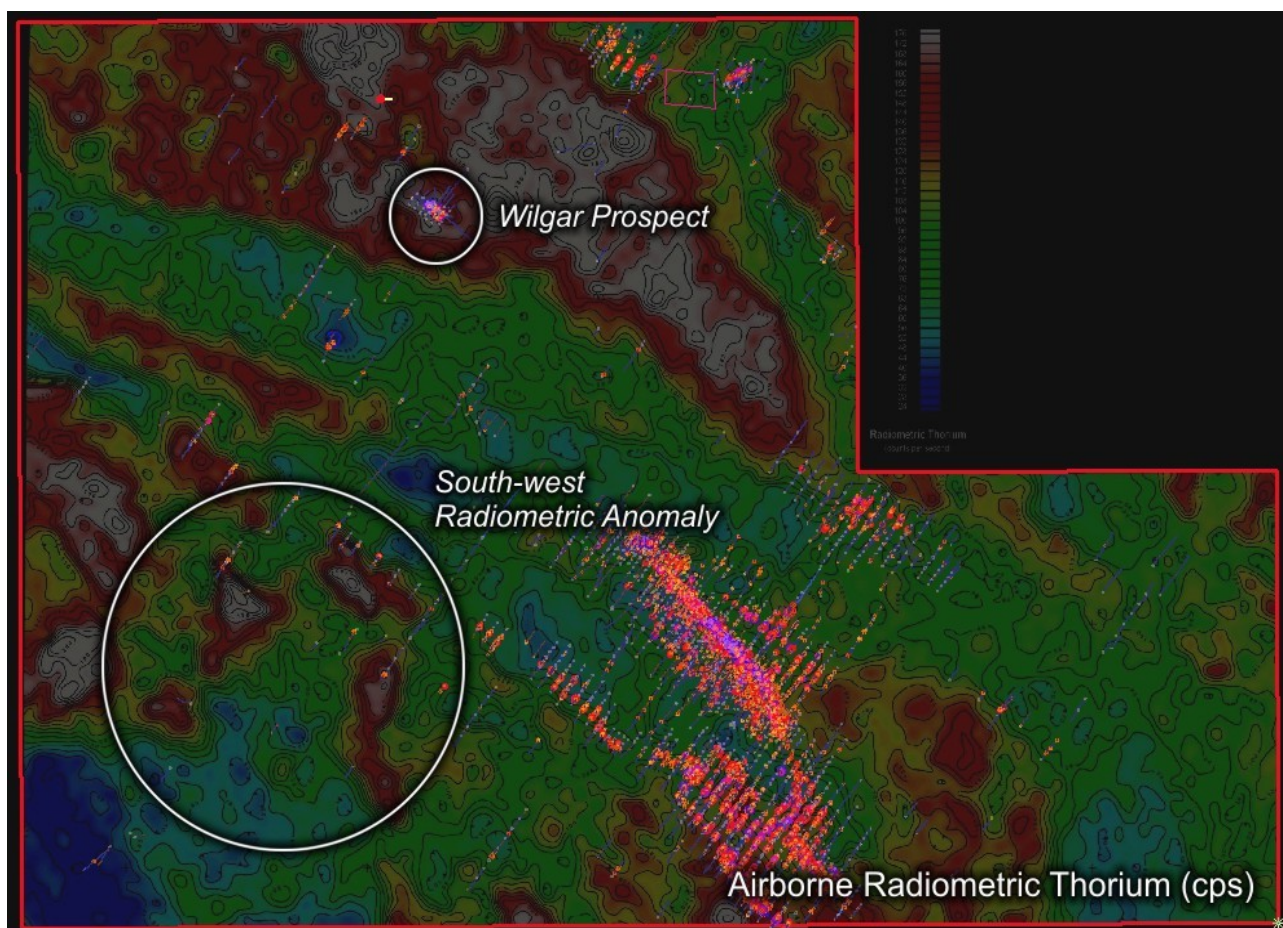


Figure 61: Airborne Radiometric Thorium Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.

High-grade uranium results from Wilgar include;

DODH240		Width	U ppm	Au g/t	Ag g/t	Te ppm	Mo ppm	From	To
Intersection	1	9m @	2250	41.8	37.9	392	6.44	10m - 19m	
including		6m @	2980	4.19	48.1	77.1	9.67	13m - 19m	

DODH251		Width	U ppm	Au g/t	Ag g/t	Te ppm	Mo ppm	From	To
Intersection	1	8m @	2260	6.63	160	77.5	0	11m - 19m	
including		3m @	4260	6.67	138.6	66.7	0	16m - 19m	

DODH258		Width	U ppm	Au g/t	Ag g/t	Te ppm	Mo ppm	From	To
Intersection	1	7m @	2060	4.3	90.3	150	1.57	13m - 20m	
including		3m @	2920	4.42	188	107	3.67	16m - 19m	

DODH261		Width	U ppm	Au g/t	Ag g/t	Te ppm	Mo ppm	From	To
Intersection	1	11m @	2240	11.2	133	102.7	8.54	11m - 22m	
including		9m @	2500	8.12	98	78.8	9.67	13m - 22m	

Uranium cut-off; 1000ppm U, with 3m allowance for internal waste

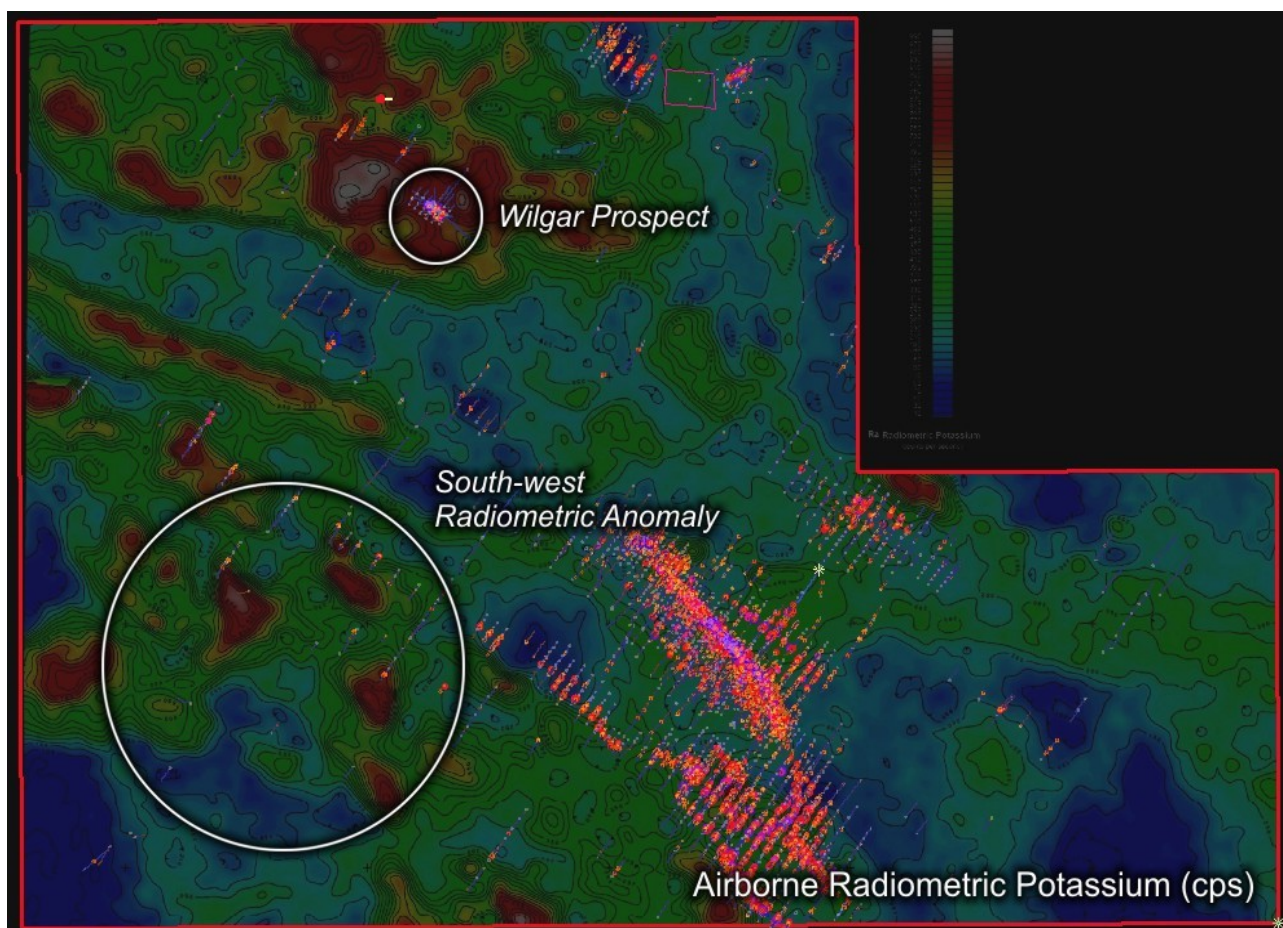


Figure 62: Airborne Radiometric Potassium Survey, showing the Wilgar Prospect area to the north-west of the Rocklands ML90177 (CDU 100%), and the much larger Radiometric Anomaly to the south-west.



Figure 63: Pitchblende (uranium mineral), in diamond drill hole WUDH002.



Figure 64: Carnotite (yellow uranium mineral), in diamond drill hole DODH248.

Of note, hand-held XRF geochemistry of surface (soil) samples, subsequent to the geophysicist's visit, indicate elevated copper, molybdenum, zinc, lead and uranium is coincident with the geophysical anomalies.

Geophysics

The south-western area is characterised by a number of geochemical and geophysical anomalies.

Prospective characteristics include;

- A >25msec IP chargeability anomaly over a large swathe of the south-west region.
- IP conductivity high anomalies internal to the chargeability anomaly.
- Morphology and size (approximately 1.2km²), suggests anomalies are of a size not likely to be primarily stratigraphically controlled (ie, probably not caused by typically larger stratigraphic units such as black-shales).



Figure 65: Diamond drill hole DODH251 with uranium minerals carnotite and pitchblende (approximately 14 - 18.5m shown).

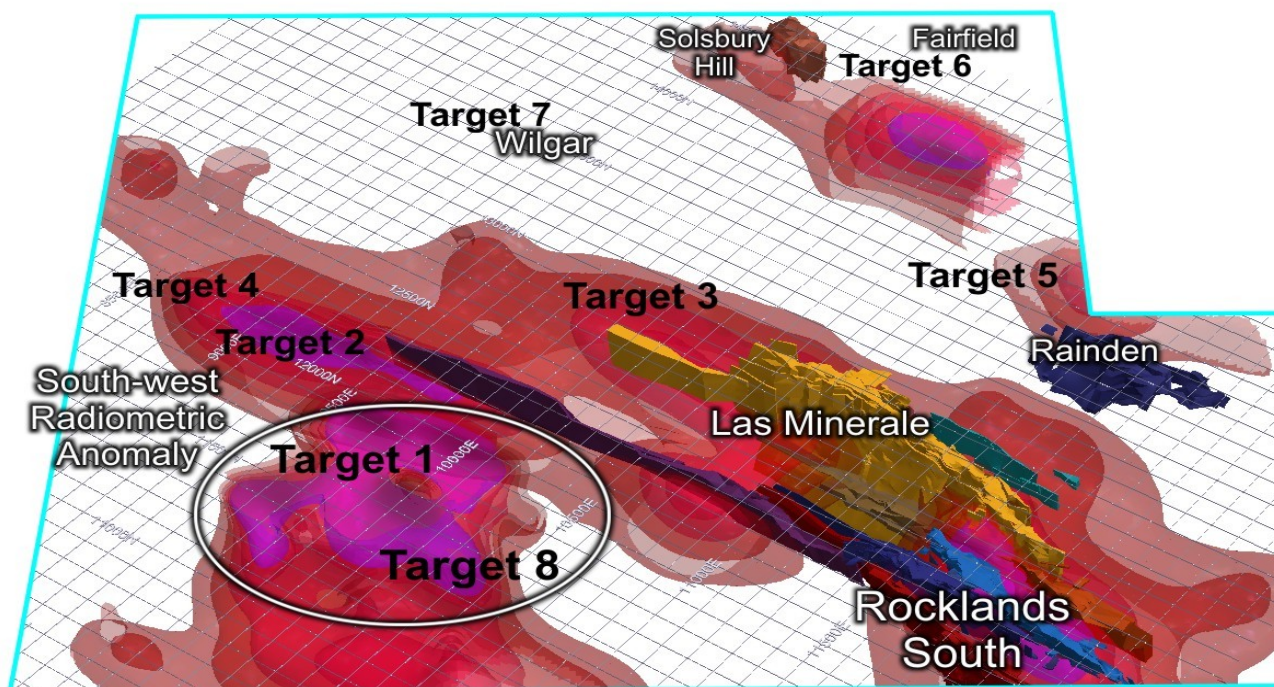


Figure 66: Induced Polarisation (IP), 3D inversion model (chargeability), showing priority target areas as identified by consultant geo-physicist

- Co-incident radiometric uranium anomaly; though radiometric/chargeability anomalies are more commonly associated with porphyry copper alteration systems, the presence of elevated radiometric response over the South-west Prospect, suggests the rocks in this area may be associated with an alteration system.
- Sub-audio Magnetics (SAM) EQMMR high anomaly in the south of the area.

Comments of note from the GroundProbe Advisory Notes include the following;

“Rocklands is a tenement endowed with an unusually large number of good geophysical anomalies.”

“The most outstanding feature of the IP data is a very strong chargeable zone directly under an area better known as the South-west Radiometric Anomaly. This anomaly is in fact stronger than any of those mapped near the known mineralisation, and by any standards is considered to be an excellent target that should be tested at the earliest convenience. It is highly likely that this chargeability anomaly is caused by disseminated sulphides, of some description, whether they be barren or economic, and this is further supported by the slightly anomalous uranium levels”

A series of short (approximately 100m) reconnaissance diamond drill holes were completed towards the end of 2011, primarily targeting shallow IP anomalies. Minor pyrite and pyrrhotite was intersected in calcite rich sedimentary unit, but not in sufficient quantities to explain the high-intensity of the anomalies.

Geology

The South-west Prospect area sits astride a north, north-easterly striking interpreted fault, to the east of which is the southern flank of a north-west plunging antiform, consisting of a deformed sequence of alternating silicified sandstone and sandy limestone beds. To the west of this fault is an easterly plunging antiform of silicified sandstone, sandy limestones, scapolitic siltstone and quartzite. Localised dolerite

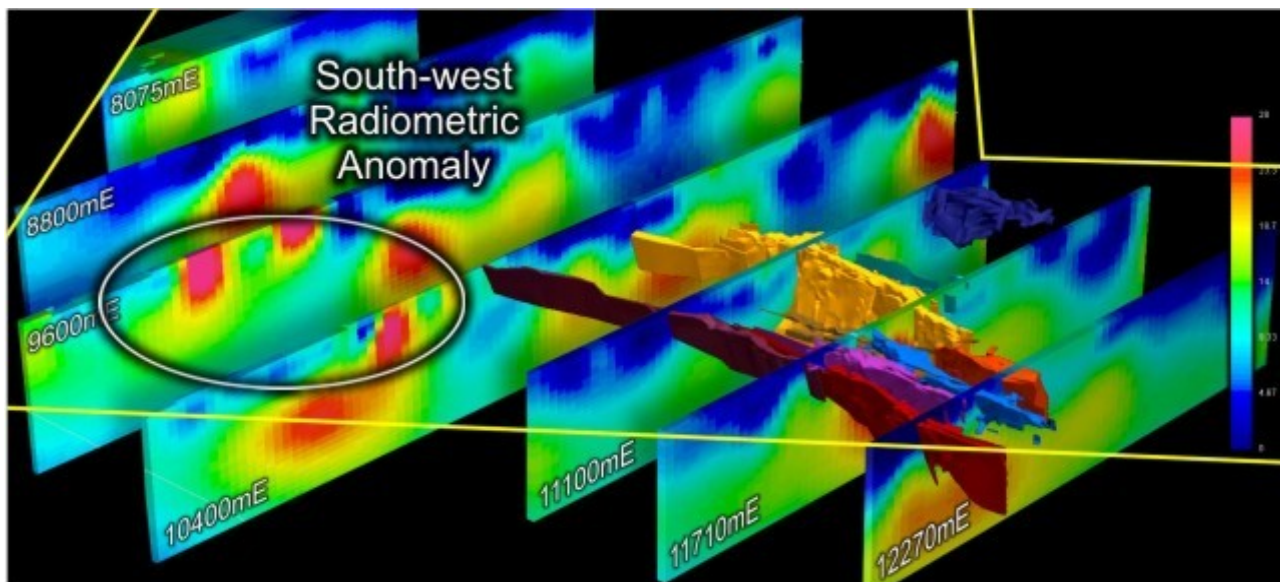


Figure 67: Induced Polarisation (IP) chargeability survey cross sections, with approximate position of current resource model

intrusions are observed within the area, appearing to post-date folding and faulting, and are more dominant to the north and west. A unit of massive amphibolite has been observed to the far south of the region, throughout which anomalous disseminated copper mineralisation has been observed.

Geochemistry

Subsequent to the studies conducted by the consultant geophysicist, a soil based geochemical sampling programme was conducted over part of the South-west prospect area coinciding with the radiometric anomaly, confirming a relationship with elevated zones of anomalous base metals, including copper, cobalt, lead and zinc. Elevated uranium and molybdenum were also identified. Trends appear to cross-cut interpreted stratigraphic contacts, suggesting stratigraphic units do not control the observed base metal geochemistry. Trends in soil geochemistry are distinct between metals, similar in this aspect to those observed in early soil geochemistry samples from the Wilgar prospect, however occur over a significantly larger area

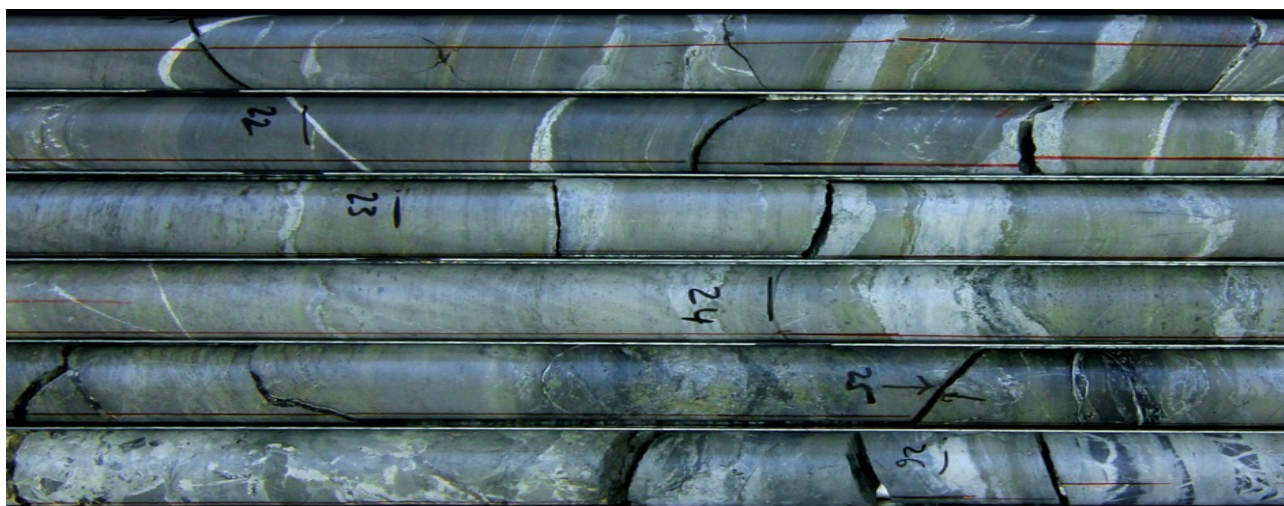


Figure 68: Diamond drill hole DODH372 - one of seven short (approximately 100m) reconnaissance diamond drill holes completed in 2011 primarily targeting shallow IP anomalies at the South-west Radiometric Anomaly. Minor pyrite and pyrrhotite intersected in calcite rich sedimentary unit, but not in sufficient quantities to explain high-intensity of anomalies - additional drilling required.

High-resolution Sub Audio Magnetics (SAM) Geophysics Programme at Fairfield Highlights New Target Areas.

Preliminary results have been received from the new high-resolution Fairfield SAM survey, with several exciting prospects highlighted in areas where there has been no historic exploration activity including soil sampling or drilling. Results will aid in the planning of future drilling.

The 2012 SAM Geophysics Survey at Fairfield included the following data acquisition and processing;

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

The above data has been supplied to an expert consultant geophysicist, who will generate 3D inversion data from both the previous SAM surveys at Rocklands and recently acquired 2012 data, and provide expert interpretation of prospective areas.

Previous Exploration Activity East of Fairfield

Previous soil sampling programmes at Rocklands were oriented to cross-cut the major mineralising trends at Las Minerale and the associated orebodies. These surveys extended into the general Fairfield area,

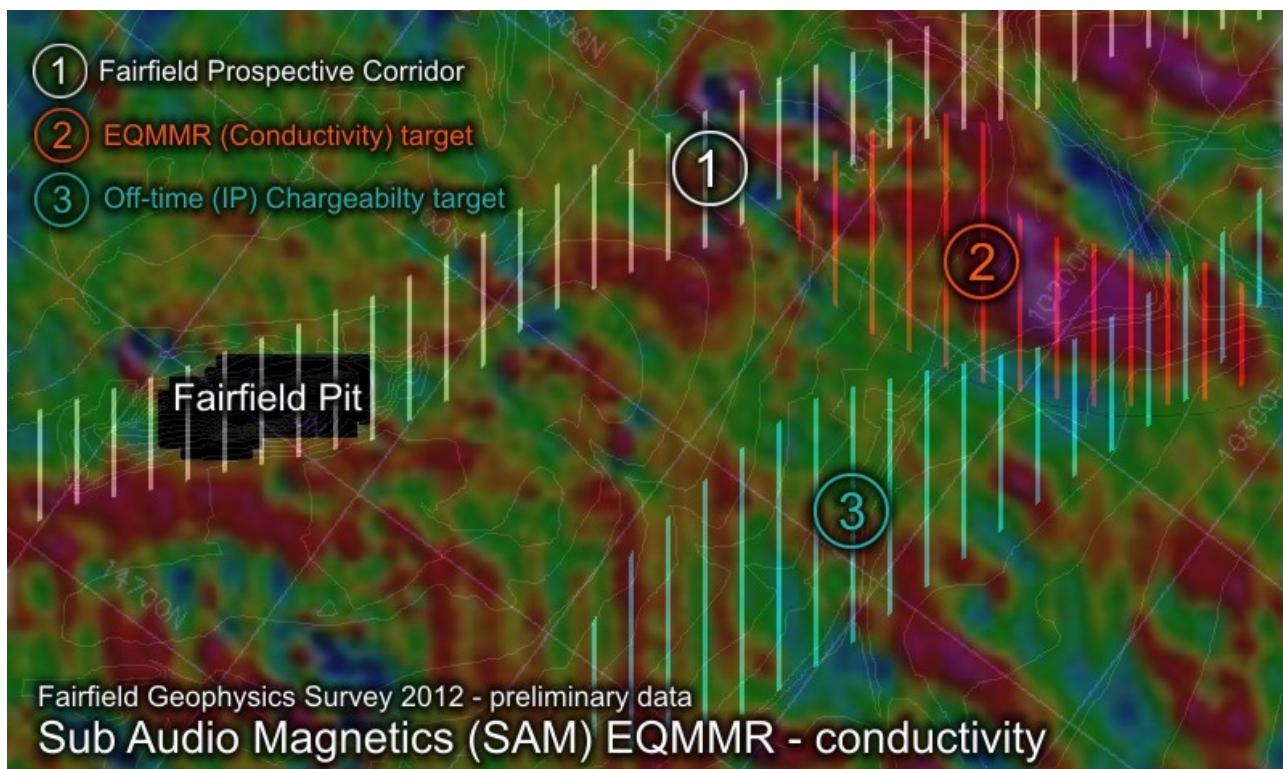


Figure 69: High-resolution Sub Audio Magnetics (SAM) survey at Fairfield, showing preliminary results and areas considered prospective.

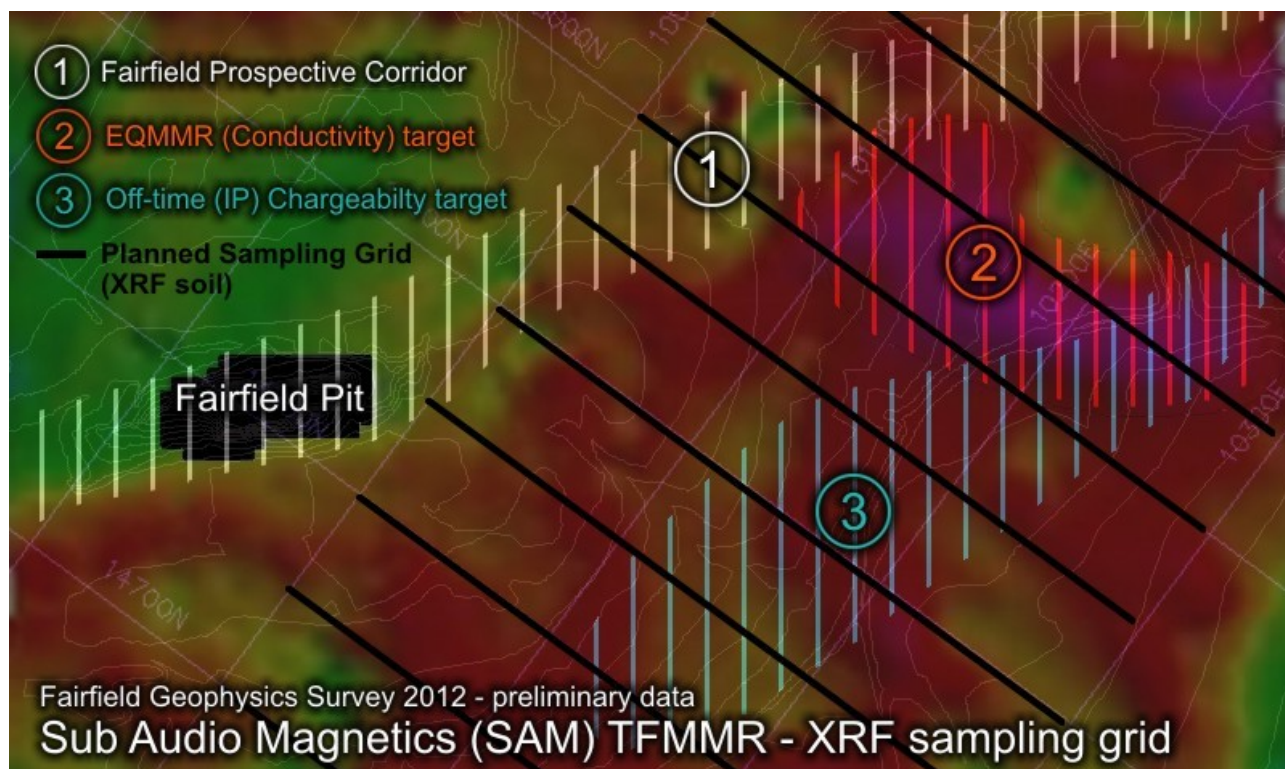


Figure 70: High-resolution Sub Audio Magnetics (SAM) survey at Fairfield, showing preliminary results and areas considered prospective.

however were typically first-pass (wide-spaced 400m line centres) and oriented parallel to interpreted dominant mineralising trends at Fairfield.

A new programme of preliminary XRF surface soil analysis will take spot-readings every 10m along grid-lines spaced 50m apart over the most prospective areas highlighted by the SAM survey, with sampling lines oriented at right-angles to previous programmes in order to cross-cut interpreted prospective zones and potentially pick up surface mineralisation previously missed.

Results of the initial XRF programme will help identify and prioritise targets to be drill tested in the coming weeks. Anomalous results will be followed up with more detailed soil sampling programmes and possibly bedrock drilling.

The Fairfield Prospect Upgraded to “Significant Project Status” Following Drilling Success with View to Defining Sufficient Resources to Provide Supplementary Ore to the High-grade Inventory Planned to be Processed at the Rocklands Group Copper Project.

Fairfield is located in the north-west of the Company’s mining lease (ML90177) approximately 2.5km from the flagship Las Minerale orebody and will possibly add to high-grade inventory to be processed through the Rocklands Processing Plant. Upgrading the project status means assets have now been allocated to accelerate exploration and delineation of the mineralised zone,



Figure 71: Readings being taken on survey-lines during the recent SAM surveys at Rocklands

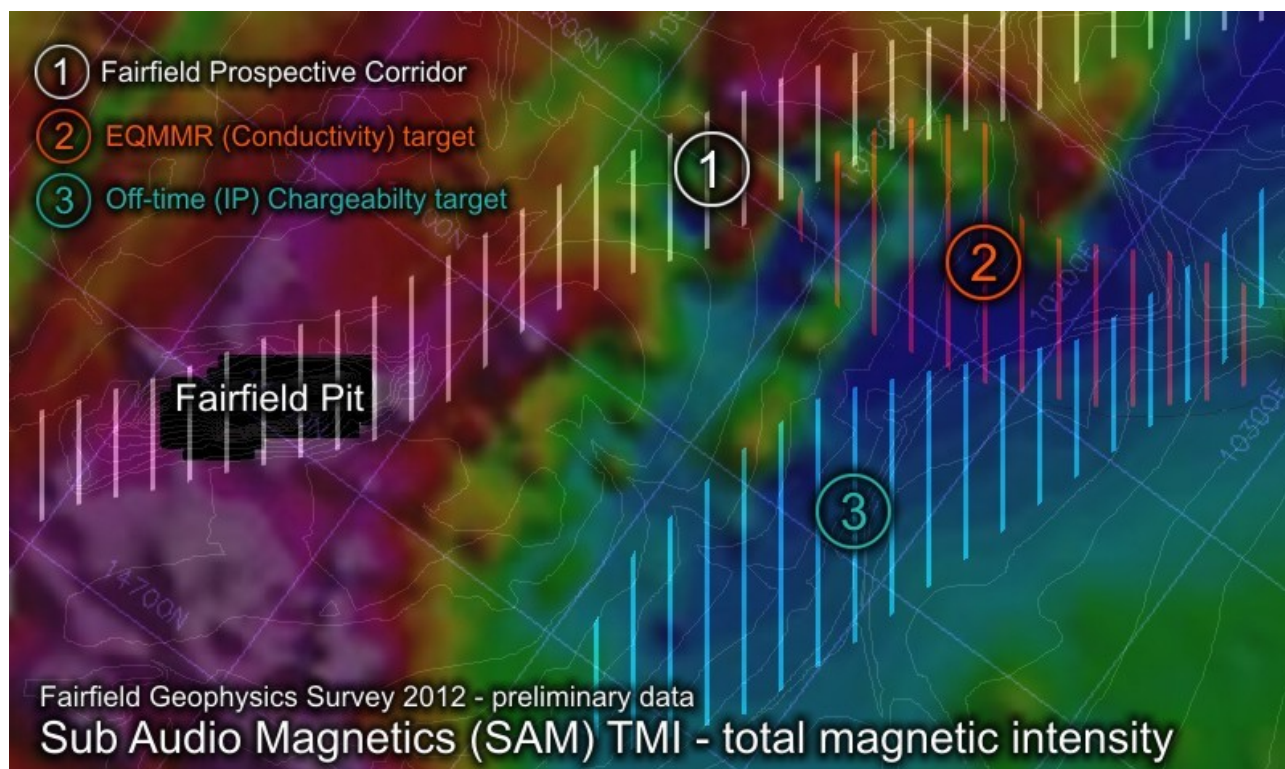


Figure 72: High-resolution Sub Audio Magnetics (SAM) survey at Fairfield, showing preliminary results and areas considered prospective.

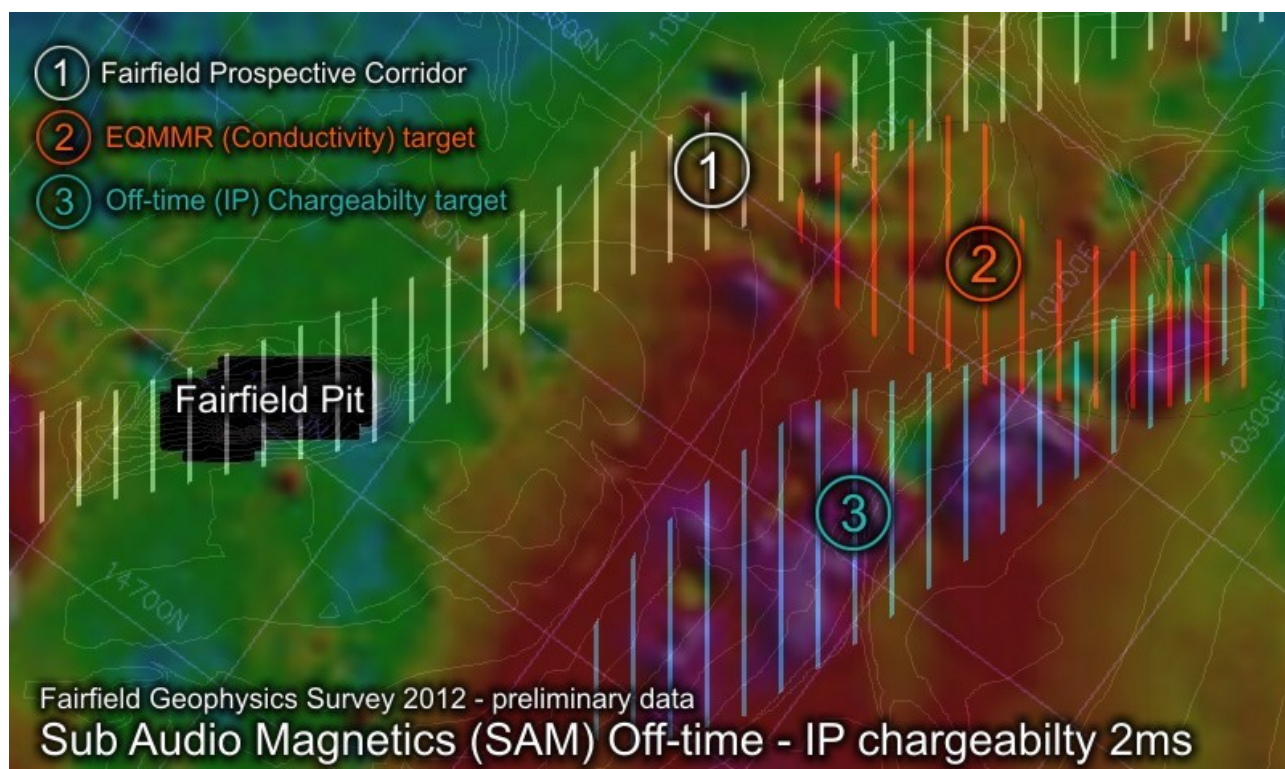


Figure 73: High-resolution Sub Audio Magnetics (SAM) survey at Fairfield, showing preliminary results and areas considered prospective.

including a dedicated drill rig over the coming months, with the view to obtaining sufficient information to support a resource estimate to at least indicated category as soon as possible.

The results of recent drilling programmes at Fairfield have seen some of the highest grade copper intersections yet seen at the Rocklands Group Copper Project since the discovery of the high grade Las Minerale and Rocklands South orebodies.

Results from the most recent round of drilling confirm that a significant, and very high-grade zone of copper/cobalt mineralisation exists at the Fairfield Prospect, of sufficient grade and scale to warrant inclusion in the Rocklands Group Copper Project resource inventory.

Details of results released during the quarter include;

DODH444		Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection	1	15m	@ 1.22%	0.53%	599	0.03	95m	- 110m
<i>including</i>		7m	@ 2.18%	1.06%	987	0.04	97m	- 104m
<i>including</i>		4m	@ 2.62%	1.70%	828	0.07	100m	- 104m

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

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

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

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



Figure 74: Example of high-grade drill core intersected in DODDH448 at Fairfield at approximately 83.2m which assayed 7.95% CuEq over 1m. Massive and semi-massive chalcopyrite and pyrite and minor chalcocite and bornite. Chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal, bornite contains 63.3% copper metal. Cobalt is associated with pyrite at Fairfield.

Details of results from recent drilling at Fairfield;

DODH448	Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection 1	19m @	2.43%	1.49%	776	0.22	79m	- 98m
<i>including</i>	6m @	5.44%	4.00%	1200	0.47	82m	- 88m
<i>including</i>	3m @	8.40%	6.86%	1250	0.85	82m	- 85m

DODH449	Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection 1	8m @	2.68%	0.71%	1660	0.13	60m	- 68m
<i>including</i>	5m @	3.71%	1.01%	2290	0.15	61m	- 66m

DODH450	Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection 1	15m @	2.15%	0.99%	987	0.11	63m	- 78m
<i>including</i>	7m @	3.02%	1.82%	1020	0.19	68m	- 75m
<i>including</i>	4m @	3.35%	2.17%	1000	0.22	69m	- 73m

DODH451	Width	Cu Eq	Cu %	Co ppm	Au g/t	From	To
Intersection 1	13m @	1.77%	0.64%	875	<i>pending</i>	56m	- 69m
<i>including</i>	5m @	3.09%	1.61%	1330	<i>pending</i>	62m	- 67m
<i>including</i>	2m @	5.56%	3.61%	1830	<i>pending</i>	62m	- 64m

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

Mineralisation at Fairfield identified to date appears to extend for approximately 180m down-plunge (see *long-section Figure 75*), 150m along strike (see *plan Figure 76*), at least 90m down-dip, between 8-20m wide, and remains open in all directions. A very-high grade zone exists within this mineralised outline, that appears to plunge to the east and remains open down-plunge. A series of structures and offsetting shear-zones have been identified that have previously added to the complexity of defining the mineralised zone at Fairfield.

Success with the most recent drilling programme is seen as an important development at Fairfield, as it potentially opens a new east-plunging high-grade copper zone not identified in previous drilling and will facilitate important structural measurements previously not able to be obtained.

Recent drilling also appears to have successfully tested;

- The existence of north-south running fault/shear zones that were predicted to strike parallel to the orientation of previous drilling, suggesting these faults may have previously been missed. Faulting is seen as a potentially important component of the deposition of mineralisation at Fairfield.
- The existence of a an offset and widening of mineralisation, within an area previously thought to be an uninterrupted, relatively consistent east-west striking mineralised structure at Fairfield.
- The existence of high-grade mineralisation in a continuous east-plunging zone, previously thought to be characterised by separated, non-continuous zones of high-grade supergene enrichment (ie, chalcocite blankets)

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

The Fairfield mineralised structure is dominated by sulphides (chalcocite, chalcopyrite and pyrite). There

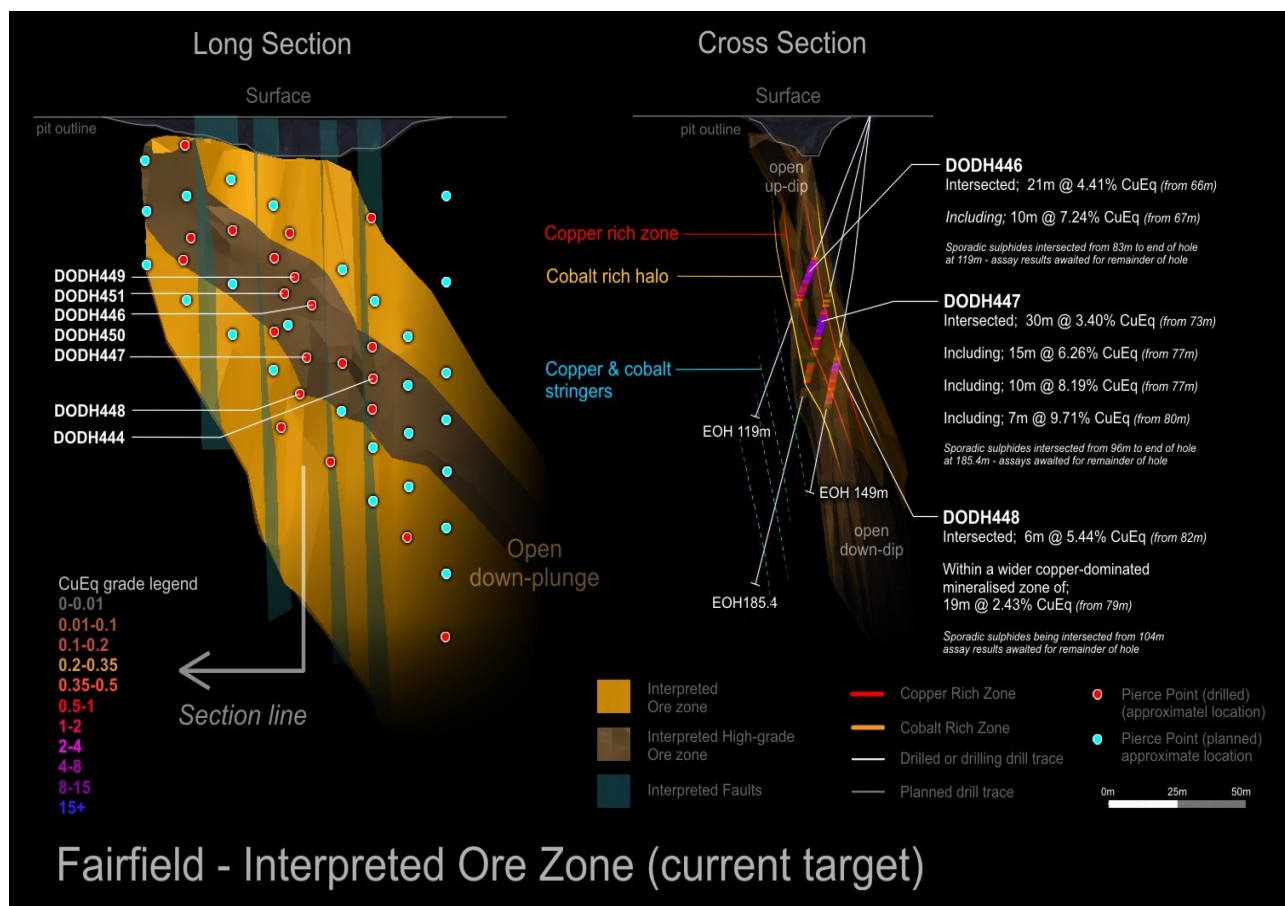


Figure 75: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and is likely to have missed them. The above long-section shows the interpreted plunge of the mineralised zone and the cross section shows the near-vertical dip. A high-grade zone, initially interpreted to be a supergene blanket, appears to continue down the apparently plunging mineralised zone, as confirmed from recent drilling, opening up considerable potential for additional high-grade mineralisation down-plunge. Locations of pierce-points may change from image to image as the surface model is updated based on updated drilling results.

are several shear zones controlling the orientation of mineralisation at Fairfield which has resulted in less than optimal conditions for drilling. The ground is highly broken with puggy clays proximal to, and in some places throughout the mineralised zone, which prevents reliable orientation of the structures through conventional drill core orientation methods. The conditions have also lead to the termination of several holes prior to reaching their desired target depths. The orientation of recent drilling alleviated these issues.

The planned drill programme will include a series of fans in the current orientation across an interpreted east plunging high grade zone in sections moving in an eastward direction. This will facilitate determination of the angle, depth and true width of the interpreted plunging high grade zone.

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

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

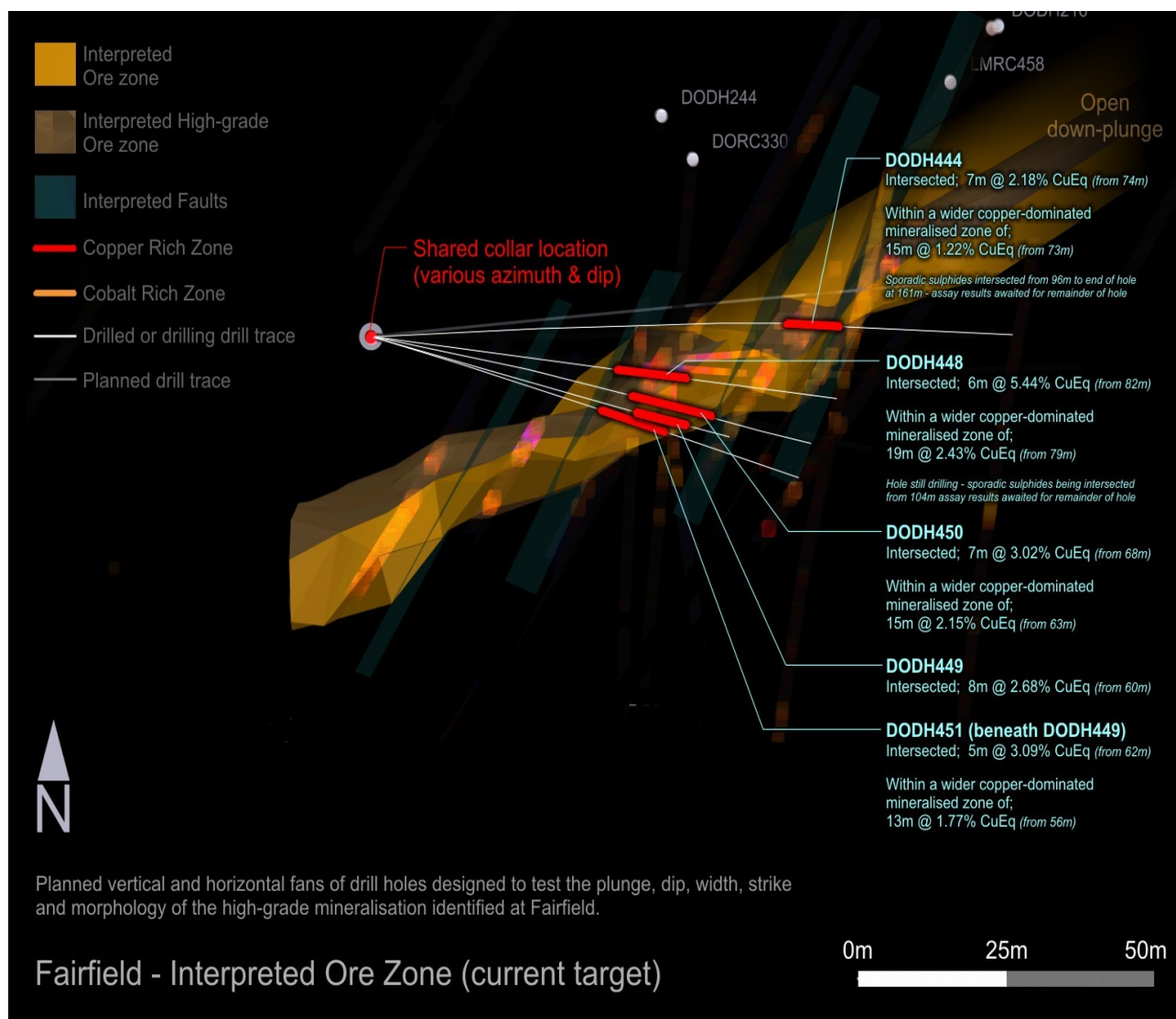


Figure 76: Developing structural and geological interpretation of the Fairfield mineralised zone, showing potentially truncated, fault-controlled offsetting of mineralisation. Previous drilling was oriented parallel to the interpreted faults and as such, are likely to have missed them.

Mineralisation

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

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

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

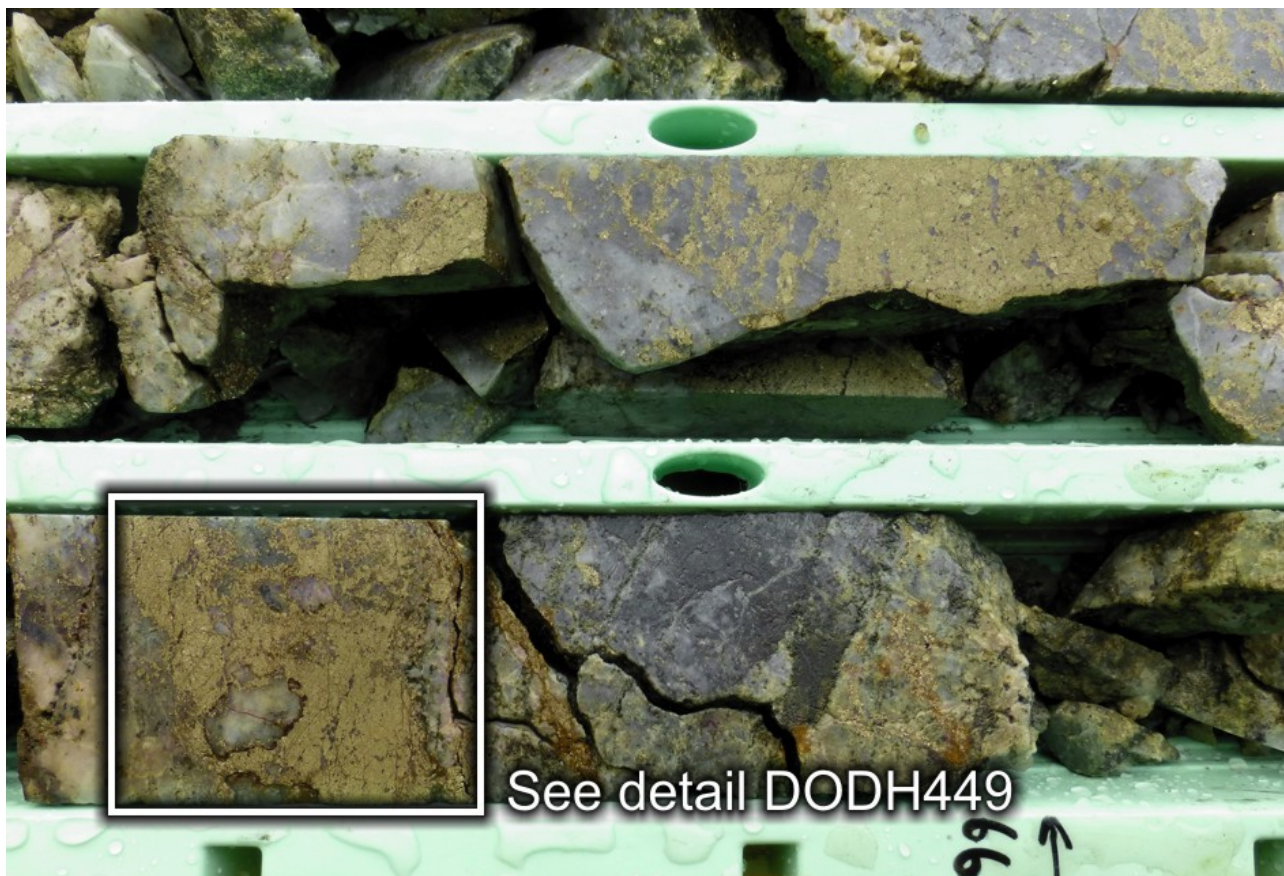


Figure 77 (above and right): Example of high-grade drill core intersected in DODDH449 at Fairfield (approximately 63m - 66m which assayed 3.33% CuEq). Primary copper mineral chalcopyrite (chalcopyrite contains 34.6% copper metal), and pyrite (cobalt is associated with pyrite at Fairfield) in quartz breccia matrix.

History

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

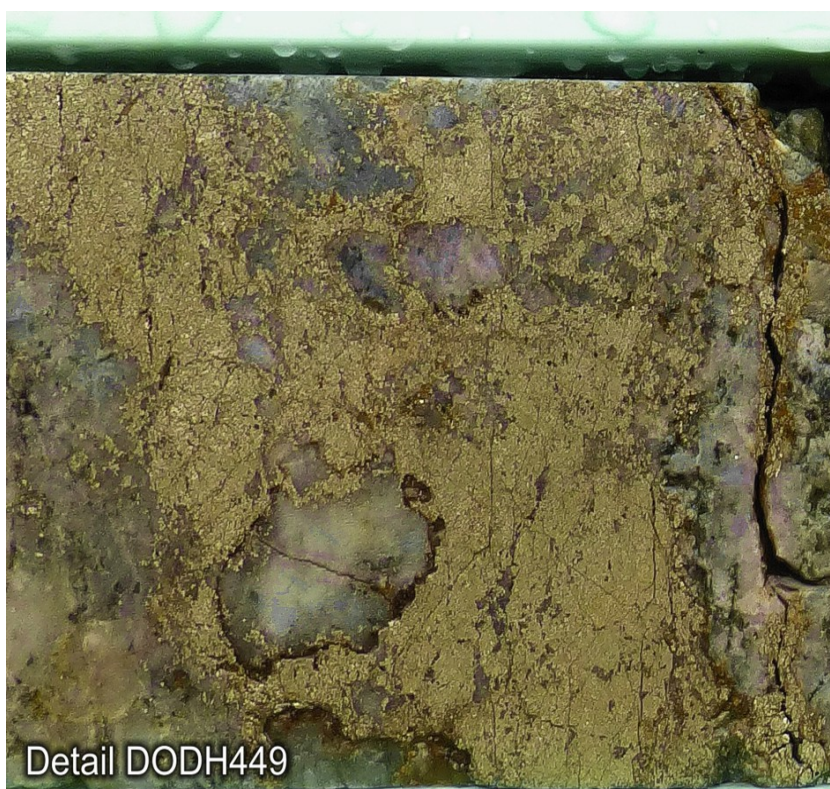




Figure 78: Example of high-grade drill core intersected in DODDH448 at Fairfield. Massive and semi-massive chalcocite (chalcocite contains 79.9% copper metal), and minor chalcopyrite (chalcopyrite contains 34.6% copper metal), bornite (bornite contains 63.3% copper metal) and pyrite (cobalt is associated with pyrite at Fairfield). Left approx. 83m, right approx. 81-84m

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

A new series of high-resolution SAM surveys have outlined additional targets that will be followed up in future drilling programmes.



Figure 79: Example of drill core from approximately 81m - 84m in diamond drill core DODH448. Massive and semi-massive chalcocite, chalcopyrite and pyrite and minor bornite in highly-weathered breccia matrix. Chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal, bornite contains 63.3% copper metal and cobalt is usually associated with pyrite at Fairfield.

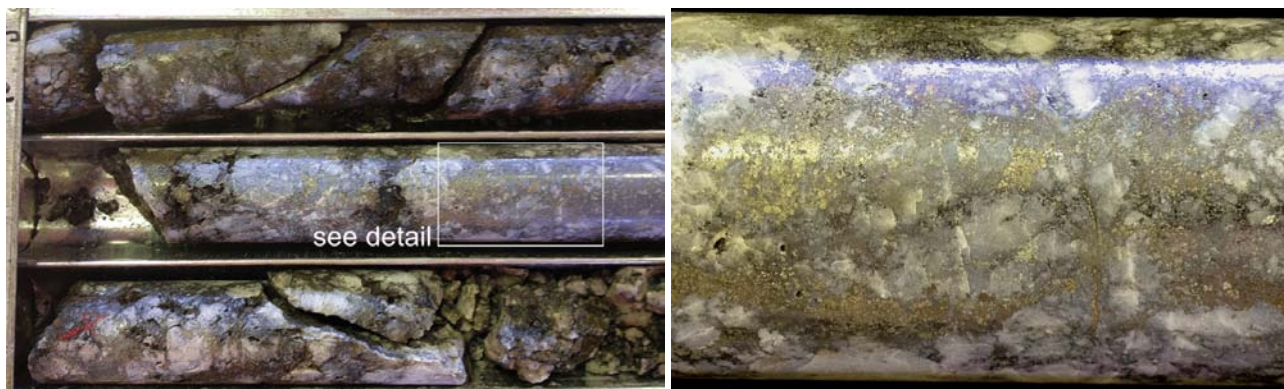


Figure 80: Example of high-grade drill core from approximately 79m in diamond drill core DODH443 at Fairfield. Massive and semi-massive chalcocite and chalcopyrite (chalcocite contains 79.9% copper metal, chalcopyrite contains 34.6% copper metal), and minor bornite (bornite contains 63.3% copper metal).

Previous Exploration Activity East of Fairfield

Previous soil sampling programmes at Rocklands were oriented to cross-cut the major mineralising trends at Las Minerale and the associated orebodies. These surveys extended into the general Fairfield area, however were typically first-pass (wide-spaced 400m line centres) and oriented parallel to interpreted dominant mineralising trends at Fairfield.

Previous results at Fairfield include;

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

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

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

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

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

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

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

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

A new programme of preliminary XRF surface soil analysis will take spot-readings every 10m along grid-lines spaced 50m apart over the most prospective areas highlighted by the SAM survey, with sampling lines oriented at right-angles to previous programmes in order to cross-cut interpreted prospective zones and potentially pick up surface mineralisation previously missed.

Results of the initial XRF programme will help identify and prioritise targets to be drill tested in the coming weeks. Anomalous results will be followed up with more detailed soil sampling programmes and possibly bedrock drilling.



Figure 81: Remains of the old Fairfield pit

Earthworks Near the Rocklands Site Office Uncovers 15m Wide Zone of Surface Copper Mineralisation Including Visible Chalcocite, Chalcopyrite, Bornite, Fine-grain Native Copper and the Copper Oxide Minerals Malachite and Azurite, in an Area Previously Unexplored Between the Fairfield and Solsbury Hill Prospects, in the North of the Company's ML90177

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

The high-resolution Sub Audio Magnetics (SAM) geophysical survey conducted at the nearby Fairfield prospect was extended to cover this newly identified mineralised zone.

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

A small-scale follow-up bedrock drilling programme was also completed along lines east and west (parallel to the trench), and samples also sent for analysis on a non-priority basis.



Figure 82: Electrical cable trenching unearths 15m wide copper zone just 1m below surface, beside the Rocklands Group Copper Project sign that greets visitors to the Site Office Complex...literally right under our noses all these years!



Figure 83: Sample of high-grade copper mineralisation taken from outcrop uncovered during earthworks; Malachite, azurite, chalcocite, chalcopyrite, bornite and fine-grain native copper within silicified siltstone breccia and magnetite.

QUARTER HIGHLIGHTS - CORPORATE

Planned Placement for \$30m to International and North American Investors Withdrawn Due to Adverse Financial Conditions and Impact of Hurricane Sandy on New York.

A \$30 Million capital raising announced on 13 November was withdrawn during the Quarter.

The capital raising was planned to take advantage of the interest generated by the Company's road show in the USA and Asia earlier in the year. The road show in February 2012 was only to introduce the company to the North American market.

The capital raising commenced due to an offer from New York Brokers to CuDeco, to provide capital for the Company's Rocklands Group Copper Project near Cloncurry in NW Queensland. The Company saw this as an opportunity to introduce North American and Asian institutional investors to the CuDeco share register.

Despite a positive response from current and potential new investors in North America and Asia during marketing of the proposed transaction, due to adverse market conditions at the time the directors chose not to proceed with the transaction. The capital raising of \$30m was subsequently formally withdrawn, no shares were issued as part of that raising and a Prospectus was not lodged

In the period following the announcement regarding the proposed capital raising the Company received considerable enquiry from within Australia expressing interest in participating in future capital raisings.

CuDeco Enters Into Binding Contract With Sinosteel Equipment and Engineering Co Ltd for Placement of 7.6m Fully Paid CuDeco Shares at \$4.50 per Share

CuDeco Ltd entered into an agreement with Sinosteel Equipment and Engineering Co. Ltd for accepting a placement of 7.6m ordinary fully paid shares @ \$4.50 per share for \$34.2m.

The placement is in lieu of cash payments for equipment being supplied by Sinosteel. The equipment includes the entire 22 Megawatt Power Station manufactured by U.S. Cummins Power, to provide the high voltage power station for the Rocklands Copper Project. The supply agreement includes the complete installation, commissioning on site, including 12 months on site support.

The balance of the placement is for contribution for erection and construction of the mineral process plant.

The Directors elected that this share in lieu of cash option, was a better option than the recent placement that was withdrawn at \$4.30 per share. The agreement with Sinosteel is binding, but subject to FIRB approvals.

CuDeco is Proud to Have Once Again Supported the North Queensland Cowboys in Their Annual Pilgrimage to Cloncurry to Support the "Battle of the Mines" Charity Event, and to Provide Support to the Local Police Citizens Youth Club (PCYC).

CuDeco recognised the importance of engaging with the local community and is proud to support various charity and local needs groups on an ongoing basis. This includes supporting the North Queensland Cowboys in their annual pilgrimage to Cloncurry to support the "Battle of the Mines" charity event, and the local Police Citizens Youth Club (PCYC) with a recent financial contribution towards the community bus owned and operated by the Cloncurry Shire Council.

The North Queensland Cowboys travel each year to the Cloncurry Recreation Reserve and play an integral part keeping the rules and judgement calls fair as referees to the games, which can get quite



Figure 85: Engagement with the local community is important to the Company - an example is CuDeco's support of the North Queensland Cowboys working with local kids as part of the annual "Battle of mines".

serious as various rivalries are played out between the mines. Each team pays a nomination fee which is donated to the Royal Flying Doctor Service (RFDS).

As part of their involvement, the Cowboys hold coaching clinics for the 100+ young enthusiasts that come from surrounding communities to meet their heroes and gain some much appreciated training tips.

CuDeco is proud to enter a team each year, provide staff to organise various aspects of the event, and also provide accommodation to the players.

The Company's Annual General Meeting (AGM) was held in Cloncurry on 29th November 2012

This year the Company's AGM was held at the Cloncurry Shire Precinct in the township of Cloncurry, in far north-west Queensland.

The Company holds the AGM in Cloncurry on a rotational basis to give shareholders a chance to experience a for a few days the sometimes harsh conditions faced by the Company's staff on a daily basis.

Meetings in Cloncurry are also followed up with a site visit where shareholders can see for themselves the scale of the Rocklands Copper Project and meet in person some of the people who's efforts are making this project a reality.

The Company would sincerely like to thank all shareholders who attended this years AGM.

Yours faithfully

Wayne McCrae
Chairman

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by GeoDay Pty Ltd, an entity engaged, by CuDeco Ltd to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and he is a Member of the Australasian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ores Reserves". Mr Day consents to the inclusion in this report of the information in the form and context in which it appears.

The information in this report insofar as it relates to Metallurgical Test Results and Recoveries, is based on information compiled by Mr Peter Hutchison, MRACI Ch Chem, MAusIMM, a full-time executive director of CuDeco Ltd. Mr Hutchison has sufficient experience in hydrometallurgical and metallurgical techniques which are relevant to the results under consideration and to the activity which he is undertaking to qualify as a Competent Person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.

Rocklands Resource

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

Rocklands style mineralisation

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

Wilgar style mineralisation

Polymetallic and rare element hosting prospect, which includes mineralisation of Au, Mo, Ag, Te, ±U. The high-grade gold, silver and tellurium may be present as tellurides and mineralisation may be related to an IRGS (Intrusion-Related Gold System).

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 either taken for every down hole metre or the last metre drilled. The depth of cover material at Rocklands generally varies from 2 to 14 metres in thickness.

Notes on Assay Results

All analyses are carried out at internationally recognised, independent, assay laboratories. Quality Assurance (QA) for the analyses is provided by continual analysis of known standards, blanks and duplicate samples as well as the internal QA procedures of the respective independent laboratories.

Reported intersections are down-hole widths.

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

Copper Equivalent (CuEq) Calculation

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

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

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

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

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

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

The recoveries used in the calculations are the average achieved to date in the metallurgical test-work on primary sulphide, supergene, oxide and native copper zones.

The Company's opinion is that all of the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

Wilgar intersections reported have been calculated on the basis of a gold cut-off grade of 1g/t Au with 3m allowance for internal waste. Uranium intersections reported on basis of a uranium cut-off grade of 1000ppm U with 3m allowance for internal waste.

Wide-diameter Water Bore Sampling Methods

Water bore holes are sampled during wide-diameter open hole RAB drilling in 1m intervals by spearing a shovel into the returned rock chips for each meter as they come out the sample return pipe. To account for possible contamination from sample to sample a composite results is then produced for each rod drilling, giving an average result of a "rod interval". Water bore drill rods are 7.5m long, so a composite samples are generated in alternating 7m and 8m lengths.

Disclaimer and Forward-looking Statements

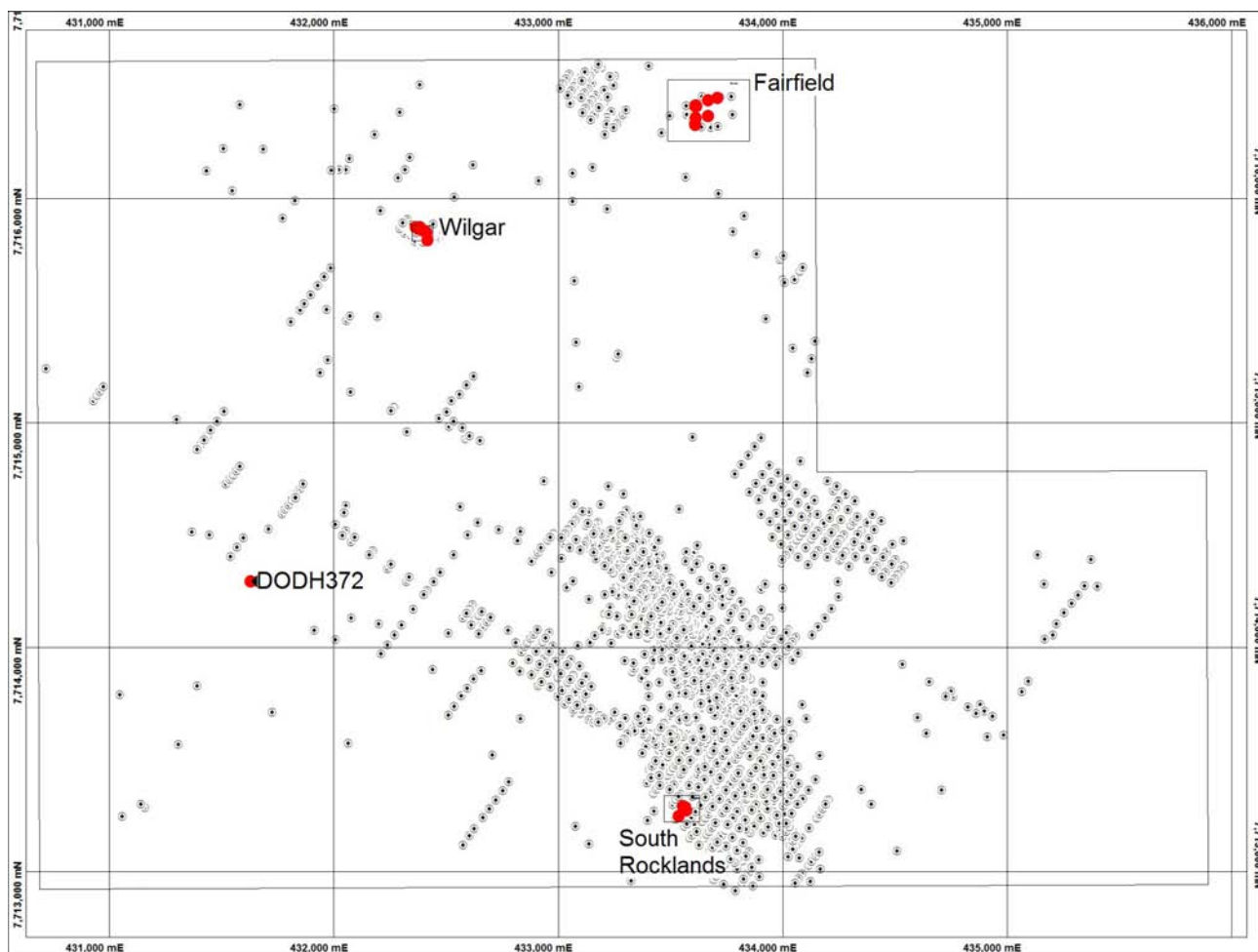
This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could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

Hole Location Table:

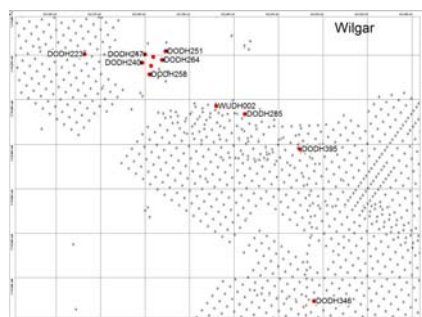
Hole ID	Easting	Northing	RL (m)	Azi (°)	Dip (°)	Hole Depth (m)
BP002	433671.8	7716369.5	221.7	345	-55	72.0
DODH223	432367.6	7715873.4	238.5	090	-30	110.1
DODH240	432380.6	7715871.5	240.4	000	-90	38.6
DODH242	433612.4	7716333.5	220.7	030	-32	181.6
DODH245	433611.9	7716332.0	219.4	030	-40	200.2
DODH247	432381.2	7715873.4	240.4	000	-90	41.6
DODH248	432383.0	7715872.8	240.5	000	-90	41.6
DODH251	432385.8	7715874.1	240.4	000	-90	29.1
DODH258	432382.1	7715868.9	240.5	000	-90	41.5
DODH261	432382.5	7715870.8	240.5	000	-90	41.6
DODH264	432384.9	7715872.1	240.5	000	-90	41.6
DODH285	432403.6	7715860.0	237.4	000	-90	50.5
DODH320	433616.2	7716363.5	219.4	030	-45	125.5
DODH346	432419.1	7715818.0	232.9	000	-90	50.5
DODH372	431632.5	7714297.2	240.3	250	-65	101.5
DODH395	432415.9	7715852.1	237.1	340	-50	29.6
DODH443	433616.7	7716415.8	219.2	090	-50	179.0
DODH444	433617.0	7716416.2	219.1	084	-47	146.0
DODH445	433617.7	7716415.6	219.1	090	-45	161.0
DODH446	433616.5	7716416.3	219.1	095	-45	119.0
DODH447	433615.7	7716416.6	219.2	092	-55	185.4
DODH448	433615.1	7716416.7	219.1	092	-60	191.4
DODH449	433614.9	7716416.6	219.1	100	-45	101.0
DODH450	433614.9	7716415.5	219.2	095	-50	107.2
DODH451	433614.2	7716415.5	219.1	100	-50	80.0
DODH456	433540.1	7713250.0	226.9	030	-75	221.7
DODH457	433566.8	7713290.1	226.1	000	-90	281.8
DORC330	433670.3	7716441.4	220.9	180	-55	154.0
LMRC458	433713.4	7716452.6	219.8	210	-55	124.0
NVB018	433568.9	7713289.0	225.5	000	-90	285.0
NVB033	433558.6	7713294.9	225.7	000	-90	270.0
NVB038	433573.3	7713277.1	225.4	000	-90	274.0
WUDH002	432397.1	7715861.8	238.0	000	-90	50.8

Datum: MGA94 Project: UTM54 surveyed with Differential GPS (1 decimal place, 10cm accuracy) and/or handheld GPS (no decimal places, 4m accuracy).

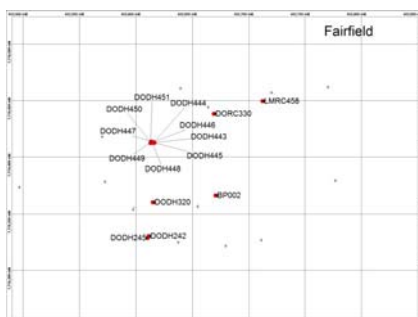
Hole Location Plan:



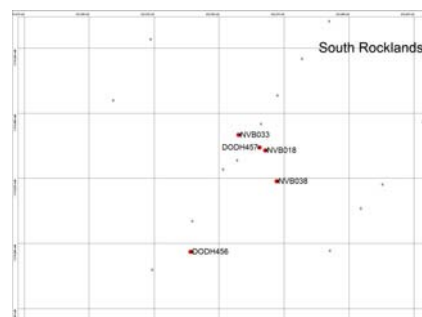
Hole Location Plan; Datum: MGA94 Project:



Wilgar detail



Fairfield detail



South Rocklands detail