
MARKET RELEASE

18th NOVEMBER 2011

**UPDATE OF RELEVANT EVENTS TAKEN PLACE OVER THE PAST WEEK IN
RELATION TO THE ROCKLANDS GROUP COPPER PROJECT**

**COMPENSATION AGREEMENT WITH LANDOWNER AND CLONCURRY SHIRE
COUNCIL**

The Compensation Agreements signed by the Landholder, Cloncurry Shire Council and CuDeco Ltd on 16th November, were the final requirements for the Department of Employment, Economic Development and Innovation (DEEDI) for the granting of the Mining Leases over the Rocklands Group Copper Project located near the regional township of Cloncurry in North West Queensland.

The Granting of the Mining Lease will trigger major events on site with the immediate commencement of the drilling and construction of the dewatering bores and the monitoring water bores to be completed over a 3 month period.

PLACEMENT NOW UNCONDITIONAL (announced yesterday)

The Agreement between the Hong Kong based Resource Fund signed for the placement of 15% of the shares in CuDeco Ltd, at a 14% premium, became unconditional yesterday and an application for subscription of the shares have been received by CuDeco Ltd. The agreement also provides a provision for the incoming party to immediately increase their position to 15%, after the dilution of the initial payment for the share placement of approx. \$87m. The effect is an additional placement of 3.596m new shares at a price to be negotiated, but not less than \$3.60c per share. The placement for the second tranche is subject to shareholder approval and if approved will have the effect of a total of approx. \$100m of new capital for the Rocklands Group Copper Project.

SECOND PAYMENT COMPLETED TO SINOSTEEL

The Company has also made a second payment to Chinese State owned Sinosteel Equipment and Engineering Co Ltd for \$US10m which is required under the procurement agreement between Sinosteel and CuDeco. The second payment is in addition to the \$US11.6m already paid to Sinosteel and provides the capital for the long lead items including the Ball Mill being manufactured to CITIC Group in China and the HPGR (high pressure rolls grinder) from Polysius Corporation from Germany and the continuous Native Copper Process Circuit from Alljig in South Africa.

The payments made to date were paid under the terms of the agreement for the procurement of the componentry for the Rocklands 3 million tonne per annum Mineral

Production facility. The payments to Sinosteel are from the US\$50m CuDeco Treasury Reserve which was activated when the A\$ was between A\$1.01 and A\$1.09 at an average of A\$1.04 = US\$1.00.

Yours faithfully



Wayne McCrae
Chairman