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**MARKET RELEASE**

**1<sup>st</sup> February 2012**

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**ROCKLANDS GROUP COPPER PROJECT**

**UPDATE**

**Third Installment Paid on Processing Plant**

CuDeco Limited advises that it has paid the third installment of \$US10 Million in relation to the construction of its 3 million tonnes per annum mineral processing plant for the Rocklands Group Copper project. The contract for the supply of the plant equipment and structures was announced to the market on 1 March 2011 and it remains on track for completion and commencement of installation this calendar year. This brings the total to \$US30.9m paid to Sinosteel. The total amount to be paid under the agreement is \$US58m. The agreement includes Sinosteel to provide the Basic Engineering Design and Detailed Design of the Rocklands plant.

The Metallurgical, Engineering and Project Management team arrive in Beijing and Nanchang in two weeks to finalise the design and metallurgical process engineering based on the process design and flowsheet provided by Lycopodium Minerals (Queensland) Pty Ltd. The CuDeco team will be visiting Sinosteel in Beijing and China's largest State owned Metallurgical Group Nerin at Nanchang for the final discussions and sign off on the process design. The design includes a unique and innovative native copper circuit, but based on conventional mineral processing equipment designed especially for the Rocklands Project and includes design and engineering from major German, Australian and Chinese engineering and metallurgical consultants. The process design for recovery of the sulfide ore is conventional flotation. The Project will deliver four products, Copper/Gold, Magnetite, and Cobalt/Sulphur (Pyrite) concentrates and Native Copper metal (98% Cu).

**Cloncurry Accommodation Village:**

Commencement of the 200-man Accommodation village in Cloncurry town, and the Rocklands Project on-site offices and heavy machinery workshops will commence in this quarter. Agreement for the housing and subdivision project has now been finalised and commencement on the housing estate will also commence this quarter.

Yours faithfully



Wayne McCrae  
Chairman and CEO