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MARKET RELEASE **5 July 2010**

ROCKLANDS GROUP COPPER PROJECT
POSSIBLE SIGNIFICANT UPGARDE OF COBALT AT ROCKLANDS

The Board has been formerly advised by the Company's technical team and by its independent Laboratories, SGS Minerals, Townsville, that assays for more than half of the Cobalt results at the Rocklands Copper Project, appear to have been underestimated.

The Company has previously advised of the importance of Quality Assurance and Control procedures (QA/QC) in monitoring the enormous amount of data that makes up the Rocklands database used for resource calculation purposes. Routine re-assay and process checks, as part of our QA/QC audit, involve comparing different assay methods by independent labs to confirm consistency and accuracy of historic results. In the process, a statistically significant variation has been identified on an assay method no longer used for Rocklands samples (AAS22D - Atomic Absorption Spectrophotometer), indicating an underestimation of historic Cobalt grades compared to the current method in use (ICP22D - Inductively Coupled Plasma). The change of method for Copper and Cobalt was made purely to provide additional information from the assays.

Based on these observations, the Rocklands technical team advised SGS Laboratories that the method for assay of Cobalt, used prior to mid 2009 at the Rocklands Copper Group Project, appears to have been underestimating the Cobalt grade. SGS Laboratory's technical personnel were consulted and advised that in order to confirm the validity of these findings, a much larger sample set was needed for comparative analysis between the various assay methods.

In all, three separate studies were conducted based on results from SGS Laboratories, involving more than 1300 individual sample intervals, including multi-element analysis between various assay techniques. The results were analysed by the Company's technical team and an official report on their findings issued to the Company's management at the weekend.

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The Company's independent Geological Consultants were formally consulted about the potential impact of an underestimation of Cobalt results on Friday, but at that time the extent of underestimation had still not been officially confirmed. The independent Geological Consultants have been made aware over the weekend of the official results and given a copy of the Company's report based on these most recent results from SGS Laboratories.

At this stage CuDeco technical personnel are in contact with the Geological Consultants who are preparing the new updated resource estimates. CuDeco's technical and Geological personnel's analysis of all factors contributing to this finding, including mineralogy of the cobalt in the 1300 samples, and all the Rocklands orebodies, provides conclusive evidence that the assay bias is a statistically quantifiable constant factor.

The Geological Consultants are currently reviewing the report and the Company awaits their response. The independent Geological Consultants are quite within their rights to request what additional action, if any, is necessary, to ensure that full disclosure, absolute accuracy and transparency is conveyed to all shareholders of CuDeco.

Your Directors over the next days, will take advice from the Company's technical team as to what the full affect of the bias may have on the resource upgrade. The Board will then make a decision based on the outcome of discussions with our technical team and the nature and possible effect the underestimating of the cobalt assay results and the effect on the upgraded resource estimates.

Yours faithfully

Wayne McCrae
Chairman