

---

**PRESS RELEASE**

**21<sup>th</sup> August 2010**

---

To the shareholders of CuDeco I would like to comment on the events of the past week.

Probably the most important thing that needs to be said is that the Company was required to report a resource that complied with the requirements of the Environmental Impact Statement lodged with the Queensland Government. The Company has applied for a Mining Lease over the entire Rocklands EPM for a period of 40 years with an initial 30 million tonne operation. The EIS was lodged with the 30 million tonne per year processing facility at a rate of 3mtpa for 10 years. The EIS that has been completed includes all of the environmental requirements for a 30mt, 10 year operation which requires engineering and design for the tailings dam for 30mt and the waste rock for 90 million tonnes, water requirement studies, roadways and transport, water diversion engineering, water holding dam engineering etc. The EIS for Rocklands was commenced in August 2006 and the draft EIS was lodged to the Qld Government this year and advertised publically for comments which have now closed. A copy of the EIS is available on the CuDeco website. The Company in its recent updated resource statement established the tonnage and grade required just for the EIS for a 30 million tonne operation.

In addition to the 30 million tonnes, the Company also reported the global resource which reflected more than 8 times the required 30 million tonnage required for the EIS. The global tonnage was calculated by Independent Geological Consultants and a lower cut-off was used to reflect the Global Resource.

The report recently compiled by Foster Stockbroking estimated that the value of copper in the ground at Rocklands at 0.10c lb or \$US220 per tonne of copper. On the date of their report the copper price was \$US3.30 lb or \$US7,276.00 per tonne. Fosters have used numbers in their calculations of \$US7,056 tonne less than the actual copper price. The question of motive for using the prices in their assumptions is what needs to be established. The Company has formally requested that Fosters Stockbroking provide the working data and the qualifications of the person or persons that made the statement and compiled the report. The report by Fosters Stockbroking was undated and did not contain the name of the actual author. The qualifications of the author were not attached to the report. We believe that the report may have misled some shareholders of CuDeco. However we will keep shareholders informed.

The Company will be on Monday requesting that the Australian Securities Investments Commission investigate the trading of the employees and the clients of Fosters Stockbroking since the release of the Resource Update and to investigate the person or

persons that completed the analytical report including their qualifications and the data base and technical information that they relied on to come to the recommendations for shareholders of CuDeco to sell their positions.

Any shareholders of CuDeco that did dispose of their shareholding in CuDeco and made their decision based on the analyst report from Fosters Stockbroking of which the results were published in some major Australian Newspapers should email to [admin@cuDeco.com.au](mailto:admin@cuDeco.com.au) the number of shares sold, the number of shares prior to reading the Fosters Stockbroking Report and the balance of stock they hold. We would also request the losses that may have been incurred as a result of reading the report or the contents of the report in the National Newspapers.

In relation to the press, they have as usual carried out a "hatchet job" on me and attacking me personally as they have done over the past 5 years. The most scathing and malicious attack was from Andrew Fraser from "The Australian" today.

In my conversation with Andrew I invited him to Cloncurry to come to the Rocklands Project and he may have a different outlook. His reply was, "I'm not interested in coming to Cloncurry". The continuous re-gurgitation of things I was supposed to have said and done has been told over and over again. I think everyone's got the message. The scathing and unwarranted attacks on me personally are not what upsets me, but the effect it has on shareholders' value is what upsets me. I have received hundreds of telephone calls of support from shareholders over the past four days and I thank the shareholders for their calls. It doesn't matter what I say, the individual journalists that have been attacking me won't let up so there is not much I can do about it. I just have to cop it and I have no form of re-dress.

The results of the updated resource DOES confirm that the Rocklands Project is a world class copper resource. The reading and understanding of how the resource was presented appears to have confused some shareholders into thinking that the 30mt required for the approval of the EIS was the total resource. It was not, it was the resource required to the granting of the Mining Lease to comply with the EIS for a 30mt operation which we believe is more than viable. Obviously at some stage, once the operations at Rocklands commence we will investigate the upgrade of the plant and possible increase of the throughput, but this will be dependent upon the metals prices at the time. We have up to ten years to carry out this investigation once we start production. The Company has instructed an Independent consultant to produce a Preliminary Cost and Financial Study into the Rocklands Project for the first 10 years on a year by year basis.

I would recommend that shareholders not make too many assumptions on press reports or back of the envelope analytical reports or reports compiled by persons who have not been to the Rocklands site. I would recommend not to make decisions of reports by unnamed authors that have put together hastily written reports, compiled in a few minutes or hours, which may cause shareholders to attempt to make sound financial judgements, based on these "reports".

Interestingly of the top 30 shareholders their shareholding has increased by 1.338 million shares since the report of the upgraded resource estimation.

I must admit I feel a little like C.Y. O'Conner at present, but can assure shareholders I will not pursue the same fate.

Yours faithfully



Wayne McCrae  
Chairman