



For immediate release: 0700hrs 20 December 2010

**Copper Development Corporation
("CDC", "the Company" or "the Group")**

Convertible Loan Agreement with Solfotara Mining Corp.

On 17 December 2010, Copper Development Corporation signed a convertible loan agreement with Solfotara Mining Corp. ("Solfotara") to advance up to US\$1.9 million (the "Loan") to Solfotara to be used exclusively to acquire a 100% interest in the Basay Porphyry Copper Project (the "Basay Project") located in Negros Occidental in the Philippines. After the acquisition of the project by Solfotara and pending the completion of satisfactory legal and technical due diligence by the Company, CDC has the option to convert the outstanding sum of the Loan into a 70% interest in the Basay Project.

The now dormant Basay Project comprises an area of approximately 1,800 hectares and is located 15 km south of the Hinoba-an Property, the Company's principal asset. The Basay mine was operated in the late 1970s and early 1980s. A total of 189 diamond drill holes were completed by CDCP Mining Corporation ("CDCP"), a previous operator of the project, when they calculated their 'last post' "Geological Resource" figures (230 Mt at 0.44% Cu) and "Mining Reserve" figures (129 Mt at 0.48% Cu) in 1983. By direct comparison with individual deposits listed by CDCP and 3D data modeling and verification, Neil Motton, an independent consultant engaged by Solfotara, determined that 99 Mt at 0.42% Cu was considered to be a post mining NI 43-101 compliant inferred resource. There remains a further 44 Mt present in two deposits that although listed as resources by CDCP does not have drilling data and therefore cannot be verified. Mr Motton also indicated that the Basay Project had significant but unquantified gold, silver, rhenium and molybdenum credits.

If the Company elects to convert the outstanding sum of the Loan to a 70% interest in the Basay Project, the parties intend to execute a joint venture agreement with regards to the project. Under the proposed terms of the joint venture agreement, if the Company fails to spend US\$5 million within two years on the Basay Project, it must relinquish its entire 70% interest to Solfotara for nil consideration. If the Company satisfies the US\$5 million expenditure requirement but fails to complete a pre-feasibility study on the project within four years, it must relinquish a 45% interest to Solfotara for nil consideration; thereby leaving the Company with a 25% interest in the Basay Project. If the Company completes a pre-feasibility study but fails to complete a feasibility study on the project within six years, it must relinquish a 20% interest to Solfotara for nil consideration; thereby leaving the Company with a 50% interest in the Basay Project. The Company intends to complete technical and legal due diligence on the Basay Project, including commissioning a competent person's report to be prepared in accordance to the Guidance Note for Mining, Oil and Gas Companies published by AIM prior to exercising its right to convert the Loan to a 70% interest in the project.

As security for the Loan, CDC has been granted (i) an option to such number of ordinary shares in the Company owned by Solfotara as shall equal the outstanding Loan sum at the volume weighted average price of ordinary shares of the Company for the five day period prior to exercise of the option; and (ii) an option to convert the outstanding Loan sum into new shares of Solfotara at the most recent fundraising price of Solfotara (or as otherwise agreed by the parties). Solfotara is not permitted to dispose or otherwise grant any encumbrance (of any nature) over the CDC shares that it owns or the Basay Project at any time while any sum is outstanding under the Loan or during the Exclusivity Period (as defined below).

The parties also agreed to binding exclusivity provisions until the later of the following to occur: (i) 5.00pm on 31 December 2011, (ii) the date on which the Company exercises its right of security, or (iii) the date on which the Company exercises its right of conversion and is formally recorded as the legal and beneficial owner of a 70% interest in the Basay Project (the “Exclusivity Period”).

The Loan is to be drawn by Solfotara in two tranches. The first drawdown will be for up to US\$1,200,000 (which the Company intends to advance to Solfotara by year-end) and the second drawdown will be for the balance of the Loan to occur by 31 May 2011. The Loan is repayable in full on 31 December 2011.

The execution of the loan agreement implements the proposed terms and conditions of the letter of intent between the Company and Solfotara entered into on 24 November 2010 as disclosed in the Company’s admission document published on 1 December 2010.

Mitch Alland, Executive Chairman of CDC, commented:

“As we near the end of 2010 with the copper market in a deficit for the year and copper inventories at low levels, we believe that the Company is ideally positioned to take advantage of the forecast environment of a shortage in copper supply and rising prices. We are excited by the opportunity to evaluate and potentially acquire an interest in the neighbouring Basay Project and exploring the possible competitive advantages of development with the Hinoba-an Project. We feel the Basay property could potentially contain a major resource that could be developed substantially in tandem with Hinoba-an and transform CDC into the category of a much larger copper producer. Having recently completed a US\$65 million placement, the Company has the cash resources to implement its strategy of delivering increased value to shareholders through its existing assets and continuing to evaluate opportunities which we believe offer additional value to our portfolio.”

The information contained in this announcement has been reviewed by Brian Lueck, COO and Director of CDC. Mr Lueck is a practicing member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr Lueck has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Qualified Person for the purposes of this announcement.

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Glossary of Technical Terms used in this Announcement

“Cu” the symbol for the element copper

“Inferred Resource” an ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not

verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability (JORC Code, 2004)

“Mineral Resource”

a ‘Mineral Resource’ is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories (JORC Code, 2004)

“Mt”

millions of tonnes

“NI 43-101”

National Instrument 43-101, a rule developed by the Canadian Securities Administrators and administered by the provincial securities commissions that govern how companies disclose scientific and technical information about their mineral projects to the public

“porphyry”

an igneous rock of any composition containing prominent large crystals in a fine-grained groundmass

“resource”

an estimate on the tonnage and grade of mineralisation before the application of mining dilution and recovery factors