



For immediate release 8 August 2012

Copper Development Corporation
("CDC" or "the Company")

Status of Approval of Basay Deed of Assignment

On 10 January 2011, Euzkadi Holdings Corporation ("Euzkadi"), the registered holder of the Basay tenement, executed a deed of assignment with Adanacex Resources Inc. ("Adanacex"), a 70 per cent owned subsidiary of Copper Development Corporation (AIM: CDC) to assign and transfer all of its rights, title and interest in the Basay exploration permit to Adanacex (the "Basay Deed of Assignment"). Upon the approval of the Basay Deed of Assignment by the relevant Philippine authorities, Adanacex will formally be registered as the holder of the Basay exploration permit.

The Company has not yet received approval of the assignment of the Basay exploration permit to its Philippine subsidiary Adanacex.

As previously announced by CDC, VeraLaw, a leading Philippine law firm, advised the Company that the Privatization and Management Office ("PMO") has, in the past, alleged that part of the area covered by the Basay exploration permit covers land it holds in trust for the Government of the Philippines. However, in its legal opinion on this matter VeraLaw advised that, on the evidence it reviewed at the office of the Mines and Geosciences Bureau ("MGB"), this would not appear to be the case (a view shared at that time by the MGB, which awarded the Basay exploration permit). In the light of this, VeraLaw's legal opinion stated that there is no reason that the Basay Deed of Assignment would not be formally approved.

On 26 September 2011, CDC received a second legal opinion from the Philippine affiliate office of a leading international law firm, which upheld the first legal opinion that PMO did not have a legal claim to any area of the Basay tenement, that the Regional MGB office certified that Basay was outside the areas under PMO claims, and that PMO had not filed an adverse claim within the ten days of publication of the Basay exploration permit, which is the time limit and last opportunity for filing such claims.

CDC expected to receive approval of the Basay Deed of Assignment, having satisfied all documentary requirements for this purpose. However, not having received the approval, CDC had several meetings with MGB's director and a meeting with PMO, without being successful in dissuading PMO from dropping its claim to areas under the Basay exploration permit. Most recently, CDC's local counsel received a letter dated 16 July 2012 from MGB, which, ignoring the legal position presented to it from the two above legal opinions, stated that PMO "is also a government agency and it is only proper for this Office [MGB] to pay attention to the concerns of the PMO, particularly about the PMO-held area in Basay".

Pending approval of the assignment, CDC operates under the terms of the Basay Deed of Assignment, under which it effectively holds full rights to operate on the tenement. CDC continues vigorously to defend the challenge posed by the unfounded PMO claim on Basay and shall, in due course, file for renewal by MGB of the Basay exploration permit, due in December 2012. Adanacex has complied with all legal and regulatory requirements, and has met the minimum annual work commitments and is accordingly confident that, through Euzkadi, such application for another two-year renewal of the exploration permit shall be approved.

In the event the Company is unsuccessful with its efforts to renew the Basay exploration permit and/or secure approval of the Basay Deed of Assignment to Adanacex, it will review all available legal options.

As and when the Company has further news to report in relation to the ongoing dispute regarding Basay it will make an announcement to the market.

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