



**For immediate release: 0700hrs 11 April 2011**

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

**Execution of joint venture agreement on the Basay Copper Project**

**Highlights**

- On 10 February 2011 CDC announced that it had decided to convert its loan to Solfotara Mining Corp. (“Solfotara”) into a 70% interest in the neighbouring Basay porphyry copper project in the Philippines (the “Basay Project”).
- The Basay Project has the potential to double CDC’s copper resources with confirmation of its historical ‘Geological Resource’ estimate of 230 million tonnes grading 0.44% copper with gold, molybdenum, rhenium and silver credits.
- A competent person’s report (“CPR”) prepared by Mining Associates Limited (“MA”), dated 28 January 2011, offers the opinion that the historic non-AIM compliant resource estimate could be upgraded to compliant categories following confirmatory drilling in the short term.
- It is MA’s opinion that the four known areas of mineralisation within the Basay Project area (the Northwest, Central, Southeast and Nabore deposits) are the corners of a large rectangle, whose lateral sides and inner area have not been explored and may be part of a much larger system of dimensions extending some 2,000 metres by 1,500 metres with the potential to comprise a major world class copper deposit.
- On 7 March 2011 CDC announced that drilling has commenced at Basay and there are now three drill rigs operating at the site. CDC plans to announce an AIM-compliant resource for the Basay Project by the end of this year.

**The Basay Acquisition – Completion of a Joint Venture Agreement**

The Directors are pleased to announce that the Company has now executed a joint venture agreement (the “Basay JV Agreement”) with Solfotara under the terms of which CDC has converted its outstanding loan of US\$1.9 million to Solfotara into a 70% interest in Basay Copper Limited (“BCL”), a company incorporated in the British Virgin Islands which is the legal and/or beneficial owner of 100% of the Basay Project through its wholly owned subsidiary Adanacex Resources, Inc.

The Basay JV Agreement sets out the agreement of the parties regarding the management and operations of Basay Copper Limited (of which CDC shall have two director nominees and Solfotara one director nominee), as well as defining the milestones (“Milestones”) that CDC must achieve to maintain its stake in the company. In particular, under the terms of the Basay JV Agreement, if CDC fails to spend US\$5 million within two years on the Basay Project, it must relinquish its entire 70% interest in BCL to Solfotara for nil consideration. If CDC 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 in BCL to Solfotara for nil consideration; thereby leaving CDC with a 25% interest in the Basay Project. If CDC completes a pre-feasibility study but fails to complete a feasibility study on the project within six years, it must relinquish a 20% interest in BCL to Solfotara for nil consideration; thereby leaving CDC with a 50% interest in the Basay Project.

After funding the initial US\$5 million, CDC may elect not to continue sole-funding the Basay Project and future funding will be borne by the parties pro rata to their interest in BCL, with any non-contributing partner suffering dilution. CDC's discharging of the US\$1.9 million loan to Solfotara will count towards the US\$5 million funding commitment. Based upon CDC's planned drilling program of 18,615 metres at the Basay site, the Company anticipates meeting its US\$5 million funding requirement by the end of this year.

In the event of a sale of BCL or the Basay Project, CDC will be entitled to 70% of the profits of such sale provided that the Company has achieved all Milestones that should have been achieved by the date of such sale. If CDC fails to achieve a Milestone by its specified time prior to a sale, then CDC shall be entitled to a share of the profits of such sale in accordance with its interest in BCL at the date of such sale.

## **The Basay Project**

A copy of the CPR prepared by Mining Associates Limited is available on the Company's website at [www.copperdevelopmentcorp.com](http://www.copperdevelopmentcorp.com) along with a copy of this announcement.

Mitch Alland, Executive Chairman of CDC, commented:

*"The Directors are excited about the potential of the Basay Project and the value it will bring to the Company's shareholders. Besides the synergies that we anticipate from developing Basay in tandem with Hinoba-an, we feel there is excellent resource potential at the property. Exploration drilling, which started in early March 2011, will focus on the areas between the known deposits, much of which has yet to be explored, in order to confirm the continuity of mineralisation indicated by the underlying geology. The Directors continue to believe Basay could potentially become a major, world-class copper project."*

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.

**- ends -**

## **Contact details**

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