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

Conversion of the Basay Loan to a 70% Interest in the Basay Copper Project

Highlights

- CDC has the potential to double its copper resources with the acquisition of a 70% interest in the neighbouring Basay Project and the confirmation, in due course, of the historic Basay 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") 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.
- CDC plans to undertake a two-phase drilling programme that will include 12,164 metres of drilling to confirm historical resources and explore the prospective extensions of the porphyry mineralisation beyond the limits of the known deposits with the objective to announce an AIM-compliant resource at the Basay Project by the end of this year.

The Basay Acquisition

The Directors are pleased to announce that CDC has completed its technical and legal due diligence on the Basay Porphyry Copper Project (the "Basay Project") and have decided to convert the Company's outstanding loan of US\$1.9 million to Solfotara Mining Corp. ("Solfotara") into a 70% interest in the Basay Project. As part of its due diligence, CDC commissioned MA to complete the CPR on the Basay Project, a full copy of which can be found on the Company's website at www.copperdevelopmentcorp.com. The Company and Solfotara intend to use their respective best endeavours to agree and execute a joint venture agreement with regards to the Basay Project according to the terms outlined in the announcement of 20 December 2010.

The Basay Project consists of an exploration permit over an area of approximately 1,808 hectares on Negros Island in the Republic of the Philippines, about 25 km southeast of the Company's Sipalay-Hinoba-an porphyry copper project (the "Hinoba-an Project"). The Basay mine operated from 1979 to 1983 producing some 45,500 tonnes of copper metal in concentrate with significant gold and silver credits from open pit and underground operations. The mine was closed in 1983 due to rising costs and falling copper prices at the time, as was the case with another copper mine in the region and a number of other operations worldwide. At the time that the mine was shut down, the historical 'Geological Resource' was estimated at 230 million tonnes grading 0.44% copper with gold, molybdenum, rhenium and silver credits. All historic estimates are, however, neither AIM, NI 43-101 nor JORC compliant and have not been verified at this time and should therefore not be relied on as such.

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MA considers the Basay Project to have excellent exploration targets within the known deposits and regionally where much of the structurally and lithologically favourable ground has yet to be tested with modern methods, in particular electrical geophysics and high resolution magnetics. Overall, MA found historical drilling had clearly intersected copper and gold mineralisation over minable thicknesses in a majority of holes drilled. Indications of gold, silver, molybdenum and rhenium may also add significantly to the economics of the Basay Project.

Brian Lueck, COO 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 will focus on the areas between known deposits, much of which has yet to be explored, in order to confirm the continuity of mineralisation indicated by underlying geology. We 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.

Andrew Vigar of Mining Associates Limited has additionally reviewed the information contained in this announcement which relates to information contained in the CPR and has confirmed that the information presented is accurate and not inconsistent with the CPR.

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Contact details

Copper Development Corporation	Beaumont Cornish Limited	FoxDavies	GTH Communications
Mitch Alland	Roland Cornish	Philip Davies Simon Leathers Jonathan Evans	Toby Hall Christian Pickel
44 (0)1624 639396	44 (0)20 7628 3396	44 (0)20 3463 5022	44 (0)20 3103 3902

The Basay Copper Project

The Basay Project is located 600 km southeast of Manila in the Negros Oriental Province on Negros Island, Republic of the Philippines. The Project consists of an exploration permit over an area of 1,808 hectares. The Basay mine operated in the late 1970s and early 1980s at a rate of up to 24,000 tonnes per day.

The Basay Project is located in the southern area of the Southwest Negros Mineral District, a 60 km by 25 km belt that extends from Basay in the southeast up to Caliling in the northwest. This belt contains

two former copper mines (Maricalum and Basay), the Group's advanced Hinoba-an Project and one former gold mine (Bulawan) as well as numerous copper and gold prospects. With the acquisition of an interest in the Basay Project, CDC will hold contiguous tenement interests covering the regional trend encompassing two of the major porphyry copper deposits in the Southwest Negros Mineral District.

The Basay tenement area is located approximately 25 km southeast of the Hinoba-an Project area held by the Group under a Mineral Production Sharing Agreement ("MPSA"). In addition, the Group also holds an application for a Financial or Technical Assistance Agreement ("AFTA") that covers 45,127 hectares surrounding in part both the Basay Project and the Hinoba-an Project tenements as well as an application for an exploration permit ("EXPA") over 11,657 hectares (see the attached Figure).

To view the Figure contained in this announcement please visit www.copperdevelopmentcorp.com for the full version of the announcement.

Historical Resource Estimates

At the time of the Basay mine operations, historical exploration was conducted and included the drilling of some 194 diamond drill holes, and underground development. In 1983, just prior to the mine's closure, CDCP Mining Corporation ("CDCP"), the operator of the project at the time, calculated an historical 'Geological Resource' figure of 230 million tonnes at 0.44% Cu with gold, molybdenum, rhenium and silver credits and a 'Mining Reserves' figure of 129 million tonnes at 0.48% Cu. All historic estimates are, however, neither AIM, NI 43-101 nor JORC compliant and have not been verified at this time and should therefore not be relied on as such.

MA investigated the interpretation and estimation of the historical 1983 resource estimates using the limited technical data available from the previous operations. MA found the historical resource estimates reasonable for this broad level of study, accepting that the mineralisation model (porphyry copper) is suited to bulk low-grade mining. Due to the wide spacing of the drilling, MA feels the quoted historical 'Mining Reserves' figure is in reasonable agreement with the Proven (MA Indicated) figure of 140 million tonnes at 0.43% Cu suggesting that the remaining 90 million tonnes resource quoted by CDCP is an extension at depth of the drilled resources and should be rightly considered as "Inferred." Under modern reporting codes Inferred resources cannot be included in reserves, an approach also prudently taken by CDCP in 1983. It is MA's opinion that the 1983 Historical Resource Estimates could be upgraded to "Indicated" and "Inferred" categories following confirmatory drilling.

Below is a summary table of the 1983 Historical Resource Estimates by CDCP, with suggested equivalent current resource categories by MA shown in brackets.

1983 CDCP Historical Resource Estimates*, cut-off 0.2% Cu						
	Proven (MA Indicated)#		Probable (MA Inferred)#		Total	
	Mt	% Cu	Mt	% Cu	Mt	% Cu
Southeast	50.99	0.49	61.32	0.52	112.32	0.51
Central	36.19	0.43	28.67	0.31	64.85	0.38
Northwest	45.39	0.36			45.39	0.36
Nabore	7.77	0.35			7.77	0.35
Total	140.34	0.43	89.99	0.45	230.34	0.44

* All historical estimates by CDCP are pre-1997. These are not current resource or reserves estimates and are not AIM, JORC or NI 43-101 standards compliant.

MA suggested equivalent categories under current JORC/ NI 43-101 standards.

Proposed Work Programme

A two-phase work programme is planned with the objective of bringing the Basay Project back to operational status, confirming the existing resources to modern code standards and exploring the whole porphyry system at depth and beyond the limits of the known deposits in order to determine the true extent of the property's mineralisation. The two-phase programme is estimated to cost approximately US\$2.5 million and includes 12,164 metres of drilling. Confirmatory drilling of historic resources at the known deposits and exploration drilling of potential extensions to the known mineralisation will be done simultaneously with an initial JORC/NI 43-101 compliant resource on the Basay Project expected to be defined by the end of this year.

Arrangements with Solfotara

On 20 December 2010, the Company announced that it had signed a convertible loan agreement with 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 Project pursuant to a memorandum of agreement ("Basay MOA") between its Philippine subsidiary, Adanacex Resources Inc. ("Adanacex"), and Euzkadi Holdings Corporation ("Euzkadi"), the registered holder of the Basay exploration permit. The Company has elected to convert the outstanding sum of the Loan into a 70% interest in the Basay Project.

The Loan has been fully advanced to Solfotara and the funds used to make payments due to Euzkadi under the Basay MOA. On 10 January 2011, Euzkadi executed a deed of assignment 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 Secretary of the Department of Environment and Natural Resources ("DENR"), Adanacex will become the registered holder of the Basay exploration permit. It is the opinion of the Company's Philippine counsel, VeraLaw, that there is no reason that the Basay Deed of Assignment will not be formally approved by the Secretary of the DENR.

The Company is currently finalising a joint venture agreement with Solfotara with regards to the operation and development of the Basay Project. The proposed terms of the joint venture agreement were outlined in the Company's announcement of 20 December 2010. Once a joint venture agreement is finalised with Solfotara, the Company will announce its detailed terms.

Risk Factor

VeraLaw has 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 on trust for the Government of the Philippines. VeraLaw has advised that, whilst on the evidence it has reviewed at the office of the Mines and Geosciences Bureau ("MGB") this would not appear to be the case (a view shared by the MGB which awarded the Basay exploration permit), a future challenge by the PMO cannot be ruled out (although the PMO has missed the specified time period in which they can challenge the grant of the Basay exploration permit). In terms of PMO seeking a remedy to this, according to VeraLaw, PMO may be able to file a case before the regular courts within four years from the time of discovery of the issuance of the Basay exploration permit (although this may not be allowed to proceed due to the doctrine of exhaustion of administrative remedies). The result of the challenge cannot be specified with certainty at this stage. Any sort of challenge by the PMO would be defended vigorously by CDC.

Attachment: Basay Tenement Location relative to the Group's Tenements

