

For immediate release: 8 August 2011

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

Hinoba-an Bankable Feasibility Study Update

Highlights

- Work to date suggests an economic cut-off grade of 0.2% leading to an expanded resource target in excess of one million tonnes of contained copper compared to the resource of 726,000 tonnes previously stated at a 0.3% cut-off;
- Completion of PFS now scheduled for November 2011 incorporating expanded drilling programme;
- Completion of the BFS remains on schedule for mid 2012; and
- Total budget for completion of the PFS and BFS increased to US\$27.1 million from US\$21.6 million of which approximately US\$6.2 million had been spent as at 30 June 2011.

Copper Development Corporation (AIM:CDC) is pleased to provide the following update on the Prefeasibility Study ("PFS") and Bankable Feasibility Study ("BFS") for its Hinoba-an Copper Project (the "Project") in the Philippines.

As part of the PFS the Company has expanded the total drilling programme from 34,800 metres to 39,205 metres in order to define the resources to the standard required for the BFS, as recommended by Mining Associates Pty Ltd ("Mining Associates"), the resource consultant to the Project.

Separately, the drilling and metallurgical test work completed to date points to a 0.2% copper cut-off grade being economic for the Project, which was first identified as a possibility in the 2010 Scoping Study. The Company anticipates that the use of a 0.2% copper cut-off grade will provide a resource for the Hinoba-an Project of above one million tonnes of contained copper and a new base case for the BFS that is substantially larger than the 726,000 tonnes of copper resource at a 0.3% cut-off previously stated in the base case in the Competent Person's Report ("CPR") on the Hinoba-an Project (as contained in the Company's AIM Admission Document, December 2010). The potential one million tonnes copper content resource is at a level that is of interest to many mining companies seeking copper deposits to acquire or to joint venture, thereby enhancing the attractiveness of the Project.

However, the expansion of the PFS drill programme, combined with a two-month delay in metallurgical test work, means the PFS is now scheduled for completion in November 2011 as opposed to the mid 2011 date originally envisaged. The completion of the BFS nevertheless remains on schedule for mid-2012.

Since January 2011, CDC has drilled a total of 15,329 metres at the Hinoba-an Project and intends to drill an additional 4,910 metres by the end of August 2011 to complete the PFS, and a further 18,966 metres by the end of March 2012 to complete the BFS.

In relation to the financial impact of the enlarged PFS programme, in the CPR the budget for the PFS was originally estimated at US\$9.1 million. The revised estimate to complete this study is US\$11.6 million, of which CDC has spent US\$6.2 million as at 30 June 2011. The total budget for completing the PFS and BFS is now US\$27.1 million, compared to the original estimate of US\$21.6 million. Of the US\$5.5 million variance, US\$2.5 million, the largest element, is due to the depreciation of the US dollar vs. the Australian

dollar, the currency of the majority of PFS/BFS expenditures; the balance is attributed to additional drilling of 4,405 metres and associated consultant costs, which represent a 13.9% increase in the budget. The Company is well funded to complete the BFS and continue aggressive exploration at the Basay project with cash resources of approximately US\$39.5 million as at 31 July 2011.

Mitch Alland, Executive Chairman of CDC, commented:

“We are extremely pleased that the Hinoba-an BFS remains on schedule, and that the new base case could result in over one million tonnes of contained copper, a threshold level for many mining companies, which enhances the attractiveness of the Hinoba-an Project.”

The technical 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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Contact details

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