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

**Completion of Comprehensive Technical Report on Hinoba-an
Project to Support Trade Sale or Joint Venture**

Highlights

- A Comprehensive Technical Report (CTR) on the Hinoba-an Project has been completed to support a trade sale or a joint venture of the Project.
- The CTR contains the technical information necessary for prospective buyers or joint venture partners to evaluate the Hinoba-an Project, including mining, metallurgical, environmental, social and infrastructure studies, the majority of which have been prepared to a pre-feasibility study level of accuracy.
- The CTR forecasts average annual production of 47,665 tonnes of copper over a 15.4 year mine life for the Project.
- The CTR has been supplemented by a financial analysis undertaken by the Company based on its proposed configuration of the Project and own estimates of capital and operating costs.
- Average operating costs for the Project are forecast at US\$1.57 per lb of payable copper over the life of the mine and to average only US\$1.39 per lb during the first five years.
- Initial capital costs are estimated at US\$480 million.
- Based on the Company's internal projections, at a US\$3.00/lb copper price, the Hinoba-an Project has a before tax NPV (at 10%) of US\$479 million and the IRR on post-tax, post-financing cash flow is estimated at 36.3%.

Copper Development Corporation (AIM: CDC) is pleased to announce that a Comprehensive Technical Report ("CTR") has been prepared by AMEC Minproc Limited ("AMEC Minproc") on its Hinoba-an Copper Project located on the island of Negros in the Philippines. The CTR was commissioned in order to provide prospective buyers or joint venture partners with the technical information required to evaluate the Hinoba-an Project.

Summary of the Comprehensive Technical Report

The CTR has been prepared by independent consultants and includes the JORC compliant resource estimate announced in October 2011, as well as the following components that are at a pre-feasibility study ("PFS") level of accuracy: pit optimisation and mining studies (including costs); metallurgical reports, environmental and social reports; and infrastructure reports on water, roads, tailings storage facilities and port facilities. The consultants that prepared these reports are as follows:

Consultant	Areas of Responsibility
Aboitz	Logistics
AMEC Minproc	Metallurgical test work, Metallurgy, Process and Study Management
GAIA South Incorporated	Socio-Environmental Assessment
GHD Engineering	Tailings Storage Facility, Infrastructure, Hydrology, Water Supply, Communications, Site Buildings and Camp, Power and Ports
IMC Mining Solutions Pty Ltd	Mining Studies and Optimisation
Mining Associates Pty Ltd	Geology and Resource Estimation
Resource Development Consultants Ltd.	Geotechnical, Hydrogeology and Pit Stability

The CTR will allow a potential trade buyer or joint venture partner to reach its own conclusion on the optimal operations and infrastructure for the Hinoba-an Project.

The above PFS level reports have been supplemented by the Company's own views on the Project including conceptual process and plant design, flow sheets, power generation, tailings storage facility and port development which have mostly been developed to a scoping study level of accuracy.

Resources

The Hinoba-an Project hosts two known deposits, the Don Jose (DJ) deposit and the A1 deposit, with an estimated gross JORC-compliant Mineral Resource of 319.3 million tonnes at 0.35% Cu at a 0.2% Cu cut-off grade, which was announced by the Company in October 2011. Measured, Indicated and Inferred Resources of 109.2 million tonnes at 0.42% Cu, 40.6 million tonnes at 0.35% Cu and 16.9 million tonnes at 0.24% Cu, respectively, have been defined in the DJ deposit. Indicated and Inferred Resources of 108.4 million tonnes at 0.35% Cu and 44.2 million tonnes at 0.26% Cu, respectively, have been defined in the A1 deposit.

An updated JORC compliant Mineral Resource for the Hinoba-an Project is expected to be announced next month.

Mining

Pit optimisation studies at a US\$3.00/lb copper price show that the DJ deposit contains 138 million tonnes of in-pit mineable ore at a grade of 0.41% Cu and the A1 deposit contains 88 million tonnes of in-pit mineable ore at a grade of 0.37% Cu.

At the assumed treatment rate of 15 million tonnes per annum, the expected mine life of the Hinoba-an Project is 15.4 years and forecast average annual production is approximately 47,665 tonnes of copper.

The Hinoba-an Project will be a conventional open pit operation, with a combination of bulk and selective mining methods involving a drill, blast, load and haul operation. Open pit mining will use backhoe excavators and rigid frame dump trucks to mine and haul the ore.

Processing

The process flow sheet developed by CDC follows a conventional design with run-of-mine (ROM) ore delivered to the ROM pad where it will be truck dumped or reclaimed by a front-end loader for feeding into the primary sizer. The primary crushed product will discharge onto a coarse ore stockpile.

CDC envisages that the crushed ore will be milled in a SAG and ball mill. Following conventional rougher flotation, the tailings will go out of the plant as the major part of the reject stream. The rougher concentrate will be reground prior to cleaning. The cleaner circuit will comprise three sequential stages of closed circuit cleaners with the tailing from the first cleaner going to a cleaner scavenger. The tailings from the cleaner scavenger will join the rougher tailings and feed to a thickener before being pumped via pipeline to the tailings storage facility.

The concentrate from the third cleaner stage is the final value product from the circuit. The concentrate will be thickened and filtered, and then transported by road to the port site prior to dispatch by sea freight to customers. Dependent upon head grades, this is forecast to give metallurgical recoveries above 80% and a concentrate grade assaying approximately 25% copper.

Infrastructure

The Hinoba-an Project is proposed to be largely self-contained, with mine, mill, maintenance facilities, administration and fully serviced accommodation camp located in close proximity to the mine site. The public roads to site will be upgraded as required to meet demands of extra traffic, particularly concentrate trucks and freight services. It is proposed that raw water will be extracted from a fresh water dam close to the site, and a tailings dam will be constructed within 7 km of the mine. The Salvacion Port, which has road access to the mine site, is recommended as the preferred port for the Project. For power supply to the Project there are two options. The Company's preferred source is a geothermal field on Negros Island that is fully permitted, is currently producing power, and has the advantages of rapid startup, low generation costs and no greenhouse gas emissions. The other option is a 100 MW coal-fired power plant on the coast that several independent power producers have expressed interest in developing on the basis of an anchor contract for supplying the total 54.8 MW that the Hinoba-an Project requires.

Financial Analysis

The Company has prepared financial projections based on its view of the most likely configuration of the Hinoba-an Project. The Company has estimated initial capital costs at US\$480 million. Average operating costs per pound of payable copper are forecast at US\$1.57 for the life of mine and to average US\$1.39 for the first five years of operation.

The Company estimated the Hinoba-an Project, on a gross basis, to have a pre-tax NPV of US\$479 million and a post-tax NPV of US\$440 million, assuming a copper price of US\$3.00 per lb (or US\$6,614 per tonne) and a debt to equity ratio of 65%:35%. The IRR on post-tax, post-financing cash flow is estimated at 36.3%. Further details on the basis for the financial projections and the capital and operating costs are provided in the Company's presentation on the CTR at the following link: <http://www.copperdevelopmentcorp.com/investors/presentations.html>

Mitch Alland, Executive Chairman of CDC, commented:

"The Hinoba-an Project has a large JORC compliant resource with 1,130,000 tonnes of contained copper, with a planned annual production of 47,665 tonnes of copper for over 15 years in the form of a clean 25%

concentrate. The Project is located on Negros Island in the Philippines, in a traditional mining area where there is strong support for mining and a skilled labour force that formerly worked at nearby mines that closed in 2002. The site is 25 km from the coast where there is an excellent natural harbour that can be easily developed for shipping concentrate to nearby Far East markets, including China and South Korea. At a US\$3.00 per pound copper price, the project is financially attractive.”

The technical information contained in this announcement has been reviewed by Alistair Barton, Project Manager of CDC. Mr Barton is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and is an accredited Chartered Professional (Geology). Mr Barton has sufficient experience with copper mining projects to qualify as a Competent Person for the purposes of this announcement.

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Contact details

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Attachment: Glossary of Technical Terms

“copper” or “Cu”	a common reddish metallic element that is ductile and malleable and is one of the best conductors of heat and electricity
“cut off grade”	grade of mineral sought required to break even with specific mining and processing costs
“Indicated Resource”	an ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed (JORC Code, 2004)
“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)
“IRR”	internal rate of return
“JORC”	the Joint Ore Reserves Committee (of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia)
“lb”	pound
“Measured Resource”	a ‘Measured Mineral Resource’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity (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
“NPV”	net present value at a 10% discount rate
“ROM”	run-of-mine
“SAG”	semi-autogenous grinding
“tonnes”	a metric tonne (1,000 kilograms or 2,204.62 pounds)