

## **Copper Forward Sales and Lisbon Valley Mine Update**

DENVER, CO, Dec. 12 /CNW Telbec/ - Constellation Copper Corporation (TSX:CCU) is pleased to announce that the Company has executed its initial hedging strategy by selling 5,800 metric tons, or approximately 12.8 million pounds of copper, being one-third of our anticipated April-December 2006 production, at a flat forward price of \$1.861/lb. of copper, LME-based. In addition to this forward pricing, the Company expects to capture the arbitrage of COMEX pricing over LME, and the cathode premium. Currently the arbitrage of COMEX over LME and the cathode premium are approximately \$0.02/lb. and \$0.07/lb., respectively.

At the Lisbon Valley Mine, mining, crushing, agglomeration with acid, and conveying and stacking of ore onto the heap leach pad continue at a rate of 10,000-24,000 tons per day. We currently have approximately 0.6 million tons of ore placed on the leach pad. Irrigation piping is being laid and leaching of the acid-cured ore is anticipated to commence this week. Construction of the EW building is nearly completed. All piping connecting the solvent extraction facility, electrowinning plant, and tank farm is expected to be completed within the next two weeks. Approximately 9000 cathodes and anodes need to be placed and set in the EW cells. We anticipate the entire processing plant will be completed in early January, and processing of copper-rich solutions will commence shortly thereafter. We anticipated first copper sales in January, building up to near full production capacity by the end of the first quarter 2006.

Drilling at the Flying Diamond deposit will resume this week. The RC drill rig is scheduled to arrive this week and will start drilling a 15-hole program located 8000 feet south of the original discovery area, where abundant copper oxides occur in outcrop in Colorado. Permits have been received on another 15-hole program located at the northwest end of the Flying Diamond deposit. Drilling there should commence later this month to test the open northwest extension to the thirteen holes which intercepted an average thickness of 83 feet grading 0.7% Cu, and copper-stained outcrops located 7000 feet north of the discovery area. The entire target area is 15,000 feet long and +1,000 feet wide. In-fill drilling will follow, depending upon the completion and results of this 30-hole program. Mr. Tony Adkins, P.G., has been hired as Exploration Manager at the Lisbon Valley Mine to supervise drilling and evaluation of the Flying Diamond deposit and other exploration activities in the Lisbon Valley area.

We are very pleased to have been able to capture forward prices for 2006 at attractive levels, by the progress towards completion of construction and the anticipation of first copper sales next month, and re-commencement of drilling at the newly discovered Flying Diamond deposit in Lisbon Valley.

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