



Annual Report 2007

CuDeco Limited

ABN 14 000 317 251

Contents

Section 1

Corporate Directory...page 03
Chairman's Report...pages 04-39

Section 2

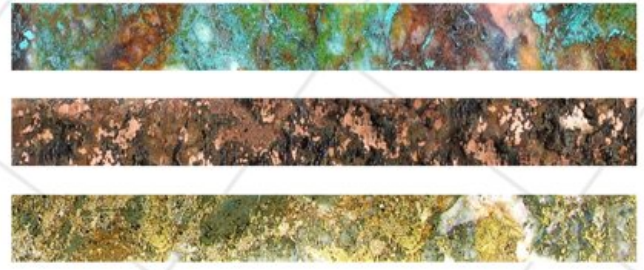
Review of Operations...pages 41-46
Directors' Report...pages 47-55
Income Statement...page 56
Balance Sheet...page 57
Statement of Changes in Equity...pages 58-59
Cash Flow Statement...page 60
Notes to the Financial Statements...pages 61-81
Directors' Declaration...page 82
Independent Audit Report...pages 83-84
Corporate Governance Statement...pages 85-87
Additional Shareholder Information...pages 88-89

Section 3

Reference images...

1. Typical ore body section...page 91
2. Geophysics - Conductivity...page 92
3. Geophysics - Magnetics...page 93
4. Geophysics - Radiometrics...page 94
5. Geophysics - Induced Polarisation (IP)...page 95-96





Contents

Section 1

Corporate Directory...page 03
Chairman's Report...pages 04-39

Section 2

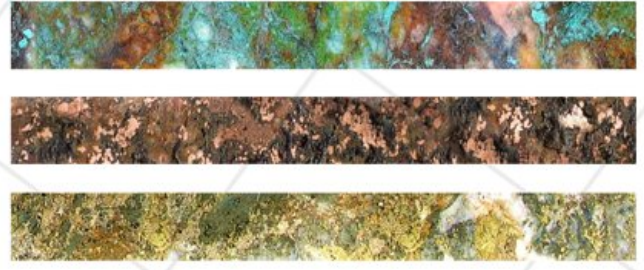
Review of Operations...pages 41-46
Directors' Report...pages 47-55
Income Statement...page 56
Balance Sheet...page 57
Statement of Changes in Equity...pages 58-59
Cash Flow Statement...page 60
Notes to the Financial Statements...pages 61-81
Directors' Declaration...page 82
Independent Audit Report...pages 83-84
Corporate Governance Statement...pages 85-87
Additional Shareholder Information...pages 88-89

Section 3

Reference images

1. Typical ore body section...page 91
2. Geophysics - Conductivity...page 92
3. Geophysics - Magnetics...page 93
4. Geophysics - Radiometrics...page 94
5. Geophysics - Induced Polarisation (IP)...page 95-96





Corporate Directory

DIRECTORS

Wayne McCrae
Peter Hutchison
William Cash
Paul Keran

COMPANY SECRETARY

Lisa Rowe

ADMINISTRATION AND REGISTERED OFFICE

Unit 34, Brickworks Annex
19 Brolga Avenue
Southport Queensland 4215

Telephone: (617) 5503 1955
Facsimile: (617) 5503 0288
Web site: www.cudeco.com.au

AUDITOR

BDO Kendalls
Level 18
300 Queen Street
Brisbane Queensland 4001

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands Western Australia 6009

Telephone: (618) 9389 8033
Facsimile: (618) 9389 7871

STOCK EXCHANGE LISTING

The Company's shares and options are quoted on the Australian Securities Exchange.

ASX Codes

CDU - ordinary shares
CDUO - options expiring 30 June 2008, exercise price 20 cents

STATE OF INCORPORATION

New South Wales



Rocklands

group of projects

EPM13049

Chairman's Report

Introduction

With unprecedented global activity on the minerals exploration front, yet relatively few significant discoveries to speak of, and with no apparent end in sight to the current resources boom, CuDeco Ltd finds itself well positioned to capitalise on expected above average copper prices in the period ahead.

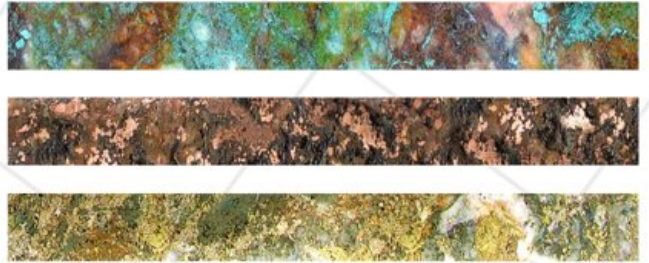
In this environment, the advancement of our world class Copper resource at Las Minerale is progressing well. We also continue to experience ongoing exploration success across some of the most prospective ground in the country.

As I present this report to you, CuDeco Ltd has never been in a better position.

History

The year 2006 will be remembered as the most significant in the Company's life as an ASX listed entity. Formerly known as Australian Mining Investments Ltd, in July 2006 and on the back of the significant Las Minerale copper discovery, the Company was re-named CuDeco Ltd, in concert with its changing focus.

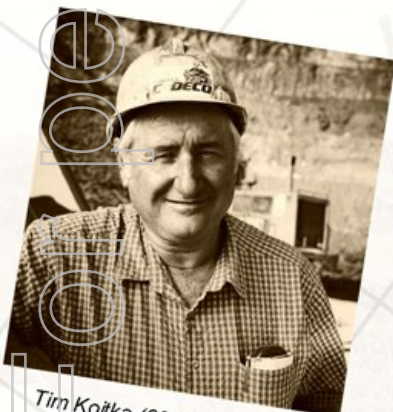
The catalyst for change first arrived in November 2005, when the Company purchased a little known and little explored EPM (Exploration Permit) 15 klms west of Cloncurry near Mt Isa in North West Queensland, however the directors' interest in the



Historic Double Oxide Mine infrastructure

site goes back a little further to 1985, when my fellow director Tim Koitka and I first visited the location. At that time it was a small mining operation known as the Double Oxide Copper Mine and was being worked by a couple of local miners who were extracting high grade native copper from a small shaft.

The treatment plant at the time consisted of a rolls crusher which crushed the rock prior to being fed into a large cement mixer to free the native copper, which was then recovered using a vibratory gravity method of recovery via a wifley table. We were advised by the miners the average grade of the ore was over 40% Cu.



Tim Koitka (29/11/51...22/08/07)

*Ed Morrison (Mayor of Cloncurry),
Wayne McCrae (CEO)
Scott Matheson (geologist)
reviewing drill program*



Rocklands

group of projects

EPM13049



Historic Double Oxide Mine infrastructure

Historic records show 390 tonnes of copper metal being recovered from 890 tonnes of ore.

During our visit we were somewhat impressed with the little operation and offered to Joint Venture the property with the view to upgrading the plant and increase production. Like many others before, we were met with a laugh and a deal making figure that was longer than most telephone numbers.

We wished them luck, but the memory of that visit remained indelibly imprinted on our minds.

RC drill rig and crew



Malcolm Carson (Chief geologist) and Wayne McCrae (CEO) survey Rocklands

I walked away believing the intense Native Copper was in effect the geological D.N.A. for something much bigger.

The property was also visited over the years by numerous Mining Companies who carried out small scale exploration around the property, primarily looking for oxide copper ore. CRA, now known as Rio Tinto, visited the site in 1992 and described the area as a potential host of a large scale copper deposit and, like us, were unable to seal a deal with the owners.

As copper prices fell and operations ceased, the mine was abandoned and eventually allowed to become derelict. Ownership passed on to a third party, who later added approx 18 Square Kilometres of ground around the mine. By chance Tim was informed that the property was for sale, arranged a meeting and negotiated a deal with the owners to add the property to the Company's assets.

CuDeco immediately commenced a shallow drill programme in November 2005 to explore for copper oxide ore to supplement the Copper Sulphate Production facility the Company owned at Mt Norma. The drilling was highly successful along the Double Oxide strike length.



Historic Double Oxide Mine infrastructure

During a walkabout on the property some 2km from Double Oxide, Tim and I discovered old shafts and workings in the dense scrub and later identified them from Mines Department workings. The main shaft was identified as 'White Christmas' and some



Rocklands

group of projects

EPM13049

shallow pit workings located approx 200m north were identified as 'Alex No 2'. A few days later Tim discovered a small rock with high grade malachite (copper mineral) 20m to the north of the Alex No 2 workings and immediately began to excavate a costean (trench) over 30m long, 1m wide and 3m deep. At this depth the costean exposed a 9m wide zone of high grade copper mineral in the form of malachite and azurite.



RC rig and crew

We concluded, from our limited exploration of the area, to line up the White Christmas shaft with the Alex No 2 workings which had a compass bearing of 310N and drill. The first hole intersected high grade copper mineralisation in the form of oxides and native copper. The second deeper hole intersected high grade sulphides in the form of chalcopyrite and chalcocite (both high grade copper minerals).

Over 7,000m of drilling was completed, the zone of mineralisation was named Las Minerale and a preliminary inferred resource statement announced to the market. In the process, the Company's focus had shifted from exploring for copper oxide ore to copper sulphide ore.

As we pursue this new focus with significant success, we look forward to the eventual release of a



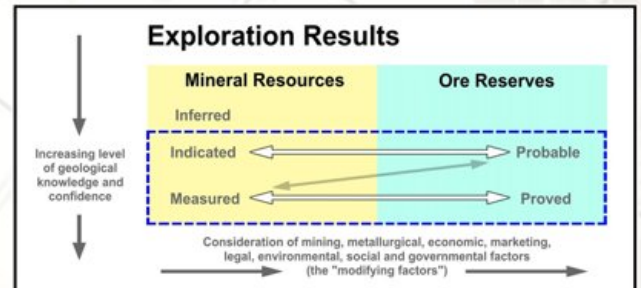
A shared vision

comprehensive, definitive and entirely unambiguous interim JORC resource, to a high level of confidence based on the central zone of our Las Minerale discovery.

At this point, I would like to extend a special thank you to all shareholders who have shown support throughout the year, particularly those who have personally made the somewhat arduous journey to visit the Rocklands Copper Project, to see in person the work in progress and spend a day or two living the life we do all year round.

Progress

In essence, the past year has been one dominated by consolidation of the Company's previous discoveries, in particular the delineation of the Las Minerale and Rocklands South resources...which due to limited drill rig availability, at times has resulted in a somewhat less intensive focus on the rest of the EPM. This of course impacted the level of activity focused on lower priority exploration drilling.



Stages in the life of a resource

All aspects of the years drilling campaign have been highly successful however and as such, the value of the Rocklands Copper Project continues to grow via;

1. Infill drilling designed to facilitate the upgrading of

Ants



Rocklands

group of projects

EPM13049

current resource categories from inferred, to indicated and measured;

2. Discovery of new mineralised zones along previously identified "target zones", which should eventually lead to their inclusion in a resource category;
3. Extensions to known mineralised zones;
4. Increased understanding of geological controls;
5. The identification of new additional exploration targets.



RC chip bags as far as the eye can see

It is worth noting, the significant achievements over the past year have been a direct result of the exhaustive efforts of our highly capable and active hands-on directors, exploration team of up to 8 geologists, the continuous use of up to 5 operating drill rigs...and up to 60 contractor/operational staff on the ground at any one time, including more than 20 local indigenous employees, all of whom have provided an invaluable contribution at many levels throughout the year, in what at times amounts to oppressive North Queensland weather conditions.

Importantly, with such an extensive cross section of mining and exploration exposure working with us, the Company is fortunate to be able to effectively draw on



It gets hot up here



Aerial view of RC crew and support vehicles

hundreds of years of combined industry knowledge from time to time in our daily exploration/operational decisions.



RC drill rig team

Perhaps the most valuable asset at the Company's disposal in its quest to unlock the value of the Rocklands Copper Project, for the benefit of shareholders, the local community and indeed the State of Queensland, can actually be measured in the quality and diverse backgrounds of its people.

Process

As with all world scale projects, management of the ongoing and substantial information flow is both a critical and somewhat complex task, with all results methodically and consistently maintained, recorded and then finally entered into an ongoing database to industry best-practice.



RC chips collected for sample trays

To this end, an on-site lab is in the process of being established, with the view to providing invaluable

For personal use only

Rocklands

group of projects

EPM13049



RC drill rig finishes one hole whilst next drill pad is prepared

on-the-fly assays for quick results based drilling programme adjustments...a significant advantage over the current independent lab based delays. However, whilst an in-house assay capacity is extremely useful, we still need to send all samples to an independent lab for official assay prior to inclusion in any resource modelling.

At the end of Q4 2007 the Company had over 12,000m of drill core or chips awaiting assay or dispatch. This is a typical story industry wide, not helped by delays at the labs due to ongoing shortages of key assay chemical product from time to time.

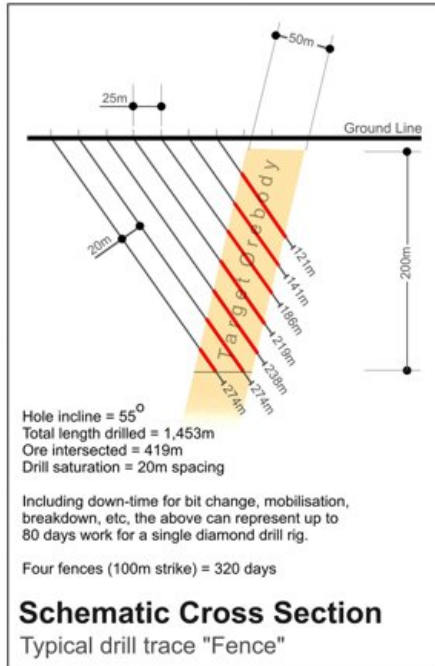
We have achieved significant success, but still have a massive work load ahead of us.

By way of example; to upgrade a typical 25Mt inferred resource to a measured JORC category in less than a year would require approximately seven dedicated drill rigs.

Overall we are progressing well, but delays due to rig shortages and heavier than normal rainfall has impacted timelines somewhat. The severe shortage of drill rigs and in particular, experienced crews to man them, whilst somewhat frustrating is entirely unavoidable due to the intense level of exploration activity for all forms of minerals across the country. This is a situation which has resulted in the availability of rigs being literally zero from time to time. Some days we may have 5 rigs operating on site, whilst at others we might be down to just two.

The Company managed to finish the year with 5 drill rigs in operation (two diamond, two RC and one RAB). During the year the Company purchased two additional RC rigs and has another two diamond rigs on order, the arrival of which should greatly enhance our exploration and delineation capacities.

With additional rigs in hand and eventual completion of infill drilling at the Las Minerale central zone, the wider Rocklands Copper Project should see an unprecedented level of activity, with ongoing delineation of existing discoveries and a renewed focus on our numerous exploration targets, previously identified by geophysics and ground based exploration and in some cases, limited drilling.



The Period Ahead

Based on information to hand, we see no immediate end to the growing resource potential of the

Rocklands Copper Project, however we are also under no illusion as to the underlying value equation and realise one cannot drill forever, regardless of the likelihood of further discoveries, without consideration of cash burn. This is a value equation common to all emerging producers and one for which your directors are very mindful.

In light of this scenario, our strategy in the interim is to move towards a phased production programme, with initial 3Mtpa mining operation designed to provide sufficient cash-flow to fund ongoing drilling programmes, enable self-funded expansion/delineation programmes and ultimately, facilitate a staged value-add process as part of the journey to full scale production and maximum value realisation.

For personal use only



RC drill rig at Las Minerale

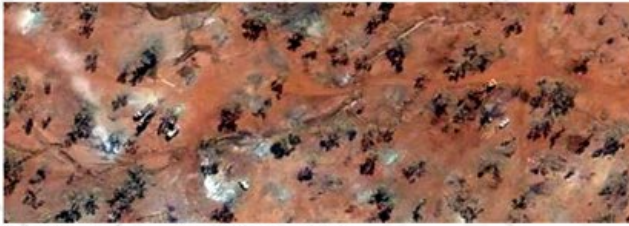


Rocklands

group of projects

EPM13049

Our aim is to limit shareholder dilution to a minimum and to this end our concentrated efforts within the central zone of Las Minerale, with close spaced drilling (designed to facilitate a JORC compliant resource statement to measured category over a limited strike length), continues to be highly successful.



Las Minerale as viewed from satellite

Although taking longer than expected, the Board views the rapid upgrade of this zone to a high level of resource confidence as the quickest likely path to income. More importantly it is the most prudent value-add measure available to ensure shareholder value is retained at this early stage of the project, via a definitive asset based value equation, on which market participants can confidently assess the Company's investment attraction.

The release of an interim JORC compliant resource statement, predominantly based on the Las Minerale central zone, but with reference to the rest of the tenement, will be released to the market once all material aspects of the main target zones of mineralisation have been quantified to the satisfaction of the geological team. Notwithstanding, as part of and prior to the final release to the market of a completed feasibility study.

To facilitate an expedited process however, in the interim all relevant studies will be based on internally prepared non-compliant JORC resource calculations, with ongoing drilling to be included at a later date, prior to the official release of results.

Dual diamond drill rigs



RC drill and operator

Overview:

Rocklands Copper Project

During the year the Company prepared the groundwork for major exploration, resource and reserve definition programmes.

Exploration and engineering site offices were established, core sheds, metallurgical sample collection and preparation areas constructed, workshops established, on-site assay lab purchased, numerous basic infrastructure developments including water supply, office space, lunch-rooms, toilet facilities, etc...and even a "workers bar" for those late hot Friday afternoons.



Shareholders "hang out" at the bar after a site visit

Both morale and longevity of staff are critical to the health of such isolated projects, even more so in oppressive conditions.

In this regard the Company continues to maintain an appropriate number of relief staff, employ well established occupational health and safety practices and with the ever expanding work load, has undertaken an ongoing process of increasing staff numbers when and as required in order to keep ahead of the increasing demands on the productive capacities of all aspects of the project.



Rocklands

group of projects

EPM13049



Ground based surveying

Over the year the Company also completed numerous geophysical surveys for the Rocklands Group of Projects, including shallow bedrock geochem drilling, magnetometer surveys, multi-metal-ion (MMI) soil sampling programmes, Sub Audio Magnetics (SAM) and hand held scintillometer. At the end of Q4, the Company was preparing for extensive Airborne Aeromagnetic / Radiometric (AM/RAD) surveys and finally Induced Polarisation (IP) ground based surveying.

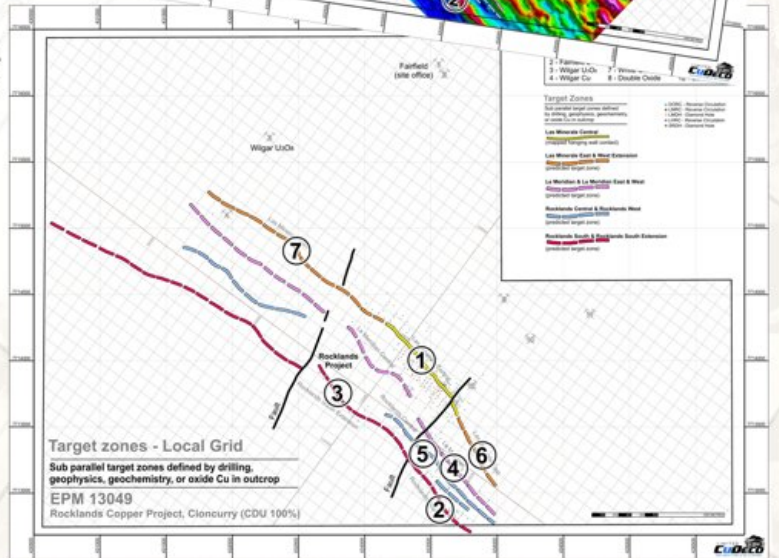
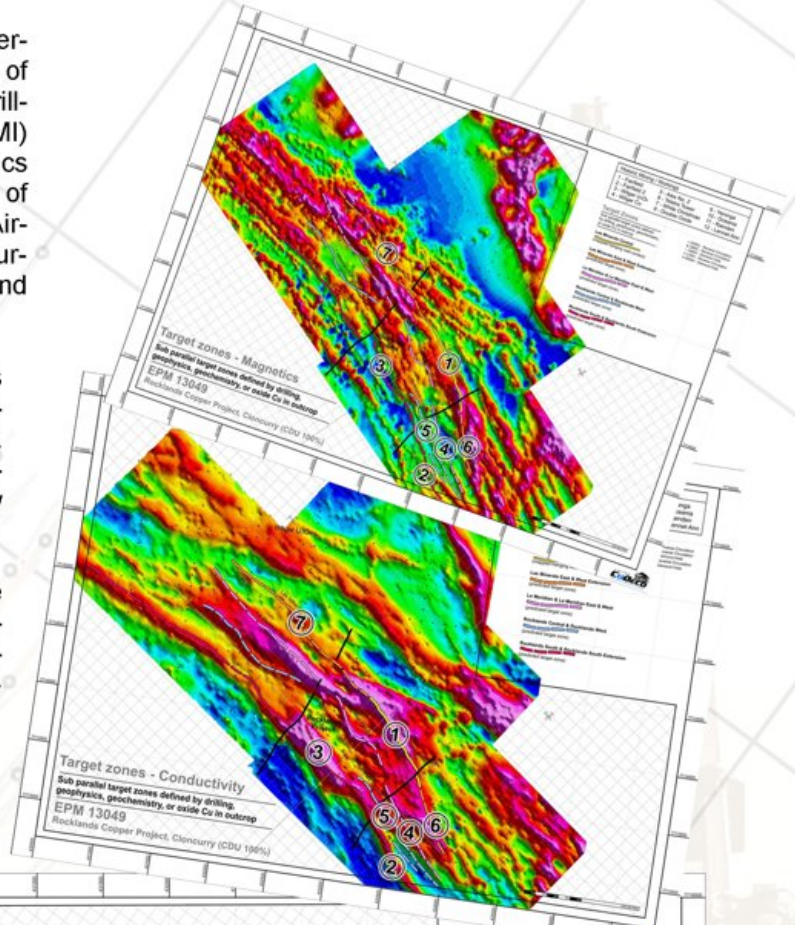
The Company has enjoyed considerable success in both targeting and confirming numerous occurrences of mineralisation throughout the tenement. It seems every time we put down a new exploration hole we hit something, with relatively few "dead" holes to speak of.

Soon the Company will have at its disposal the complete set of modern geophysical survey results currently in use by the industry. We look forward to improving on our already highly successful exploration programmes to date.

Resource targets

During the year we established numerous copper focussed discovery/target zones, none of which have been closed off to date.

1. Las Minerale Central
2. Rocklands South
3. Rocklands South Extension
4. Le Meridian
5. Rocklands Central
6. Las Minerale South Extension
7. Las Minerale North Extension



Ground based surveying



Rocklands

group of projects

EPM13049

It is worth mentioning that each and every one of the Company's key target zones might typically provide enough incentive for the individual focus of many other explorers, yet at a time of significant world interest for minerals, particularly copper minerals, CuDeco is in the envious position of not only having a confirmed resource, but also the very real potential for numerous other large tonnage areas of mineralisation within the EPM.



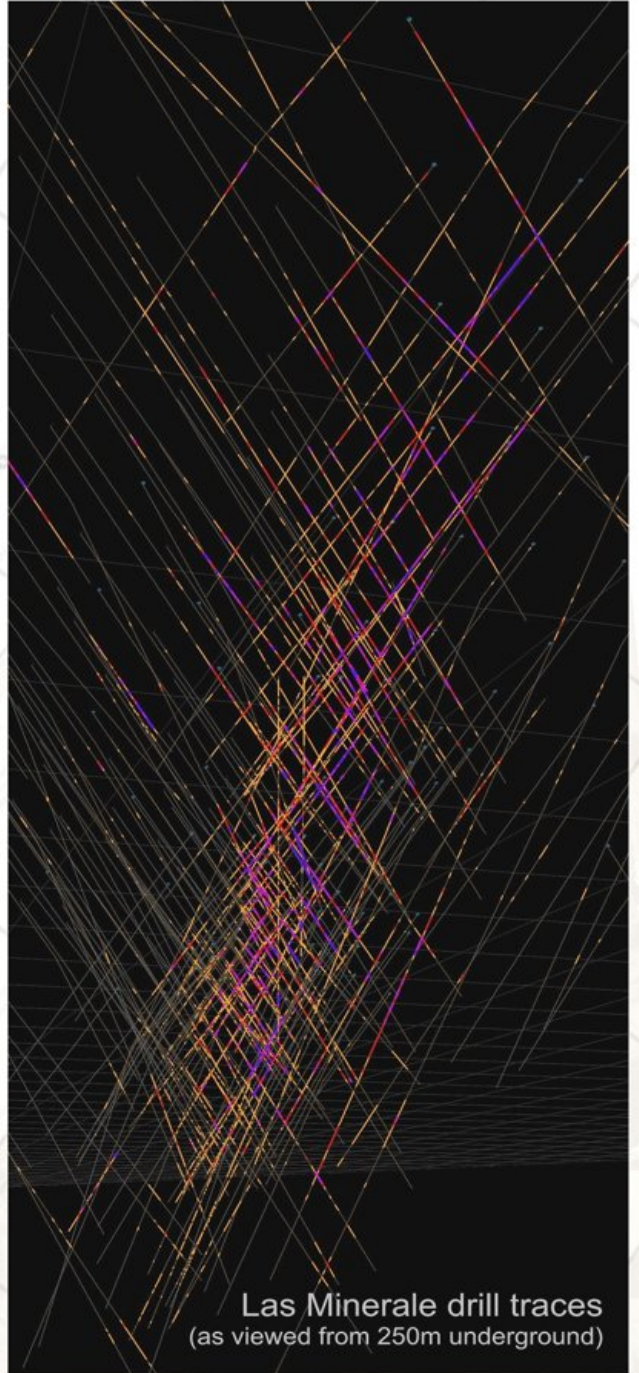
RC drill rig and crew at work

Clearly, the Rocklands tenement is a very unique proposition and testament to both the capacities and intentions of your Directors to identify significant value for the benefit of shareholders.

In spite of the nature and significance of discoveries to date, the Directors feel we have barely scratched the surface at the Rocklands Group of Projects.



Aerial view of RC team and support vehicles over Las Minerale



Las Minerale drill traces
(as viewed from 250m underground)

Economic to very high grade mineralisation shown coloured



RC drill rig and support crew



For personal use only

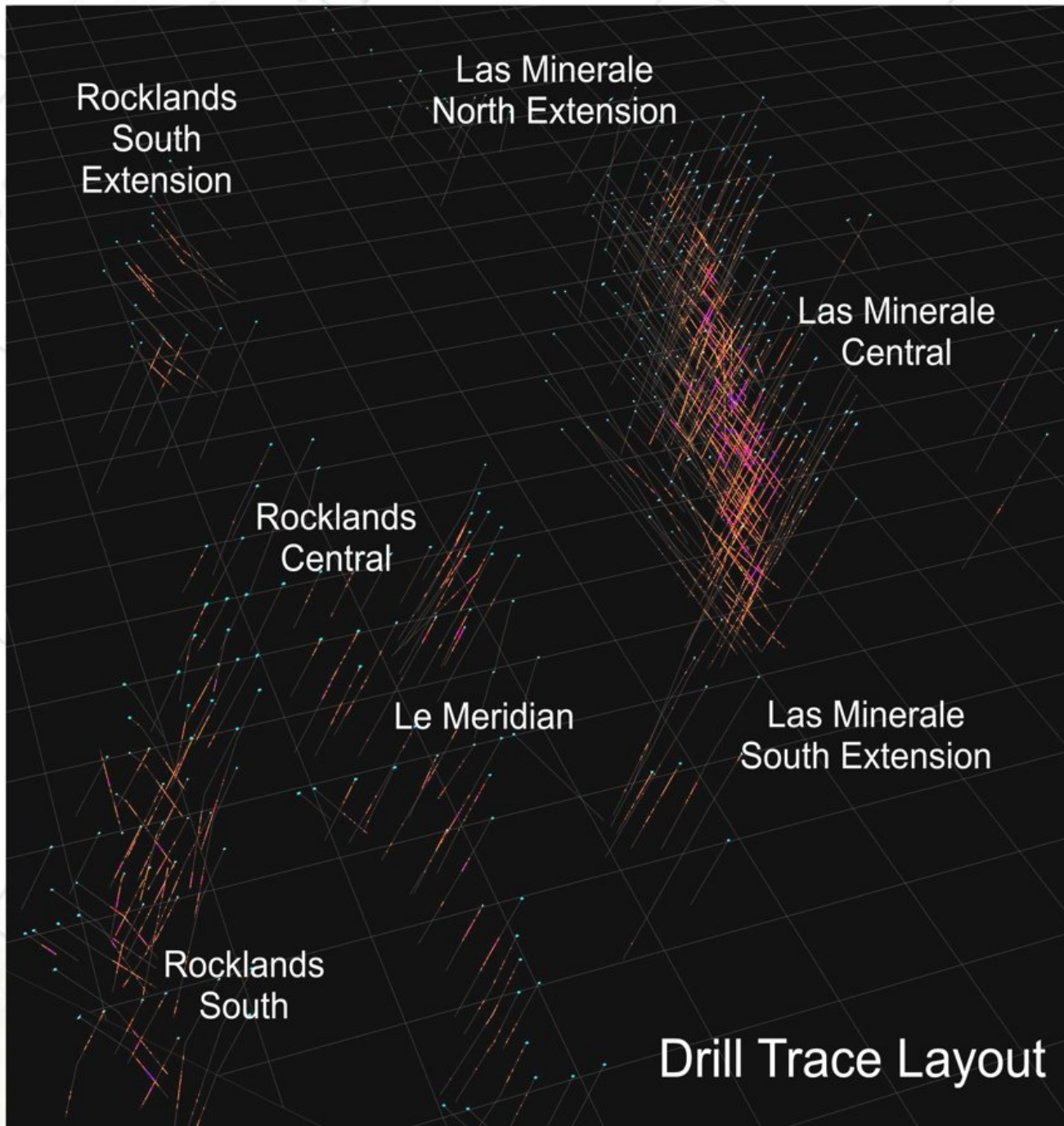
Rocklands

group of projects

EPM13049



RC rig support compressor



Three dimensional representation of drill traces over Rocklands project

RC drill rig and crew

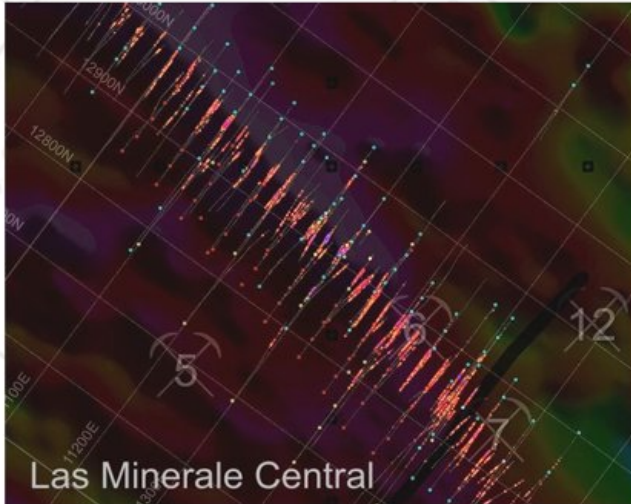


Rocklands

group of projects

EPM13049

1. Las Minerale Central



Drilling continued to deliver significant copper, cobalt and gold results throughout the year and in the process confirm the previously defined inferred resource along the known zone of mineralisation.

The strike length of the Las Minerale trend was extended to approximately 1,000m strike length to the end of Q4.

Once the full extent of the northern strike zone of breccia host, identified by the Sub Audio Magnetic Survey is completed, drilling will be directed towards the continued testing of the south-east strike extension of Las Minerale.

Whilst significant progress has been made, the resource delineation of Las Minerale has taken much longer than expected for several reasons;

1. Sheer scale and number of holes required to delineate the central zone to a close spaced

Geological logging of core



RC crew at work

measured category of at least 200m vertical depth.

2. Lack of drill rig availability and downtime due to shortage of parts for breakdown repair.

3. The need to redirect delineation focused drilling to clarify the tenor of mineralised extensions to the North-West and South-East of Las Minerale due to the impact such zones have on feasibility planning on both stage-1 and later stage development.

4. Diversion of rigs from the central zone for the purpose of geological control based drilling as part of the wider geological modelling processes.

5. Unseasonable weather during the year with over 8 weeks of exceptionally heavy rain, which impacted both access and ground conditions.

6. Geological personnel and general labour shortage, which remains an ongoing issue.

As mentioned previously, the majority of drilling over the last 12 months has been directed towards delineating a zone within the central Las Minerale trend, with drilling spaced closely enough to enable the calculation of a resource to a high level of confidence.

Las Minerale – Geology

During Q3 CuDeco's exploration team collected, compiled and interpreted drilling, mapping, geophysical, geochemical and petrology data.

This information has been input into a secure, independently managed SQL data base and updated continuously. The diamond core drilling undertaken during the quarter has given the Company's geological team the opportunity to understand the lithological and structural controls of the mineralisation and the complex weathering and supergene influences.



Rocklands

group of projects

EPM13049



RC chips placed into sample trays

Las Minerale – Preliminary Model and Geological Interpretation

During the third quarter a preliminary geological model was completed by Geological Consultants Terra Search Pty Ltd.

Technical aspects of this model were presented jointly by Terra Search C.E.O, Simon Beams and the Rocklands Chief Geologist, Malcolm Carson, at the James Cook University Economic Geological Research Unit's, International Symposium on Breccias which was held in Townsville in late June.

The report is hosted on the CuDeco website (www.cudeco.com.au) and a summary of key points from the report follows.

Report Summary

Drilling to date shows strong geological continuity in the mineralised system (lode) of Las Minerale.

The geological model explains the shape of the mineralised system, lithological, metamorphic and weathering relationships including supergene mineralisation and the stratigraphy.

It has been determined from the interpretation of the drilling data, that these relationships are complex.

The following key points have been drawn from the Terra Search report:

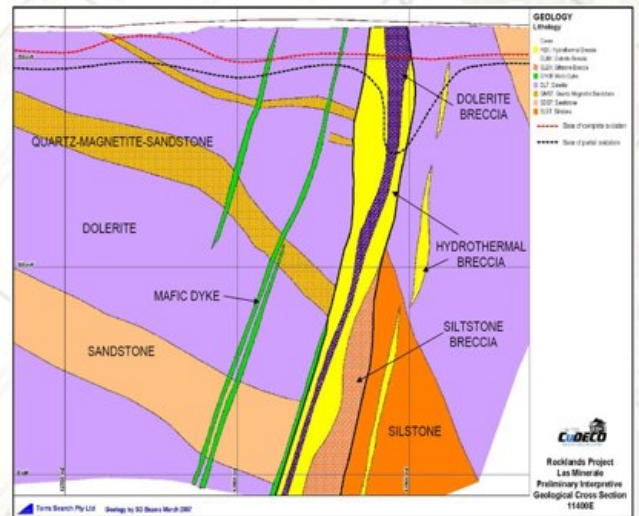
- Copper mineralisation at Rocklands is hosted in a series of sub parallel, linear zones with a gen-

eral north-west trend of 300° to 310° magnetic. The mineralised lodes occur within a metamorphosed sedimentary sequence of fine quartz rich sandstone or quartzite, quartz magnetite sandstone, siltstone, limestone and calc silicates.

- Medium grained intrusive dolerite is very prominent in the area and appears conformable with the sediments. The overall attitude of the regional sedimentary sequence is a strike of west north west and a 25° to 40° dip to the north.

- At Las Minerale, the Chalcopyrite¹ mineralisation occurs in a linear structure which "cuts through the north dipping sediment-dolerite package at a high angle".

A generalized section illustrating the lithological and structural setting (as it is presently interpreted from the existing data) is provided below and a geological plan later in the document.



CROSS SECTION LODGE - LAS MINERALE CENTRAL

- Las Minerale structure has been shown to contain copper over a strike length of 1,200 metres and within this structure drilling indicates strong mineralisation over 600 metres between 11000E and 11600E.

Outcropping dipping Sandstone-Siltstone

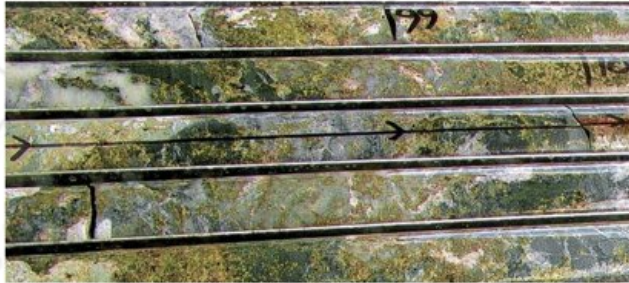


For personal use only

Rocklands

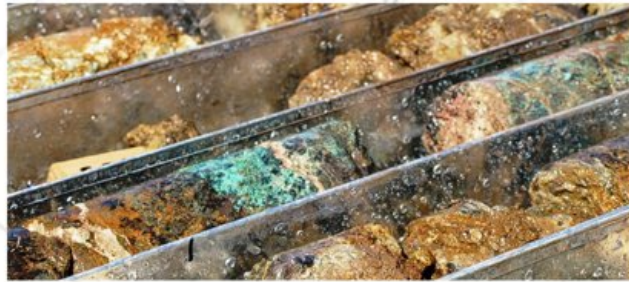
group of projects

EPM13049



Copper Sulphides (Chalcopyrite)

- The primary copper mineralisation is evident as coarse splashes of irregular Chalcopyrite with coarse well formed Pyrite², particularly associated with calcite³- quartz⁴ vein and breccia⁵ infill. Total sulphide content within the Las Minerale structure is variable from 1-2% up to 10-20%.



Copper Oxides (Malachite, Azurite)

- With respect to secondary mineralisation (oxides, native copper, chalcocite), oxidation of the sulphidic mineralised structures at Las Minerale and Rocklands South have generated acid fluids which have resulted in leaching, deep oxidation and supergene enrichment of copper. For example, within the oxidized zone, copper has been leached from near surface areas and re-deposited as coarse nuggets of native copper.

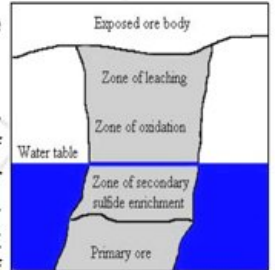
Copper carried in solution downwards to below the base of oxidation, replaces existing sulphides with strongly copper enriched



Weathered Dolerite with overlying recent gravel

minerals, namely chalcocite and bornite⁶.

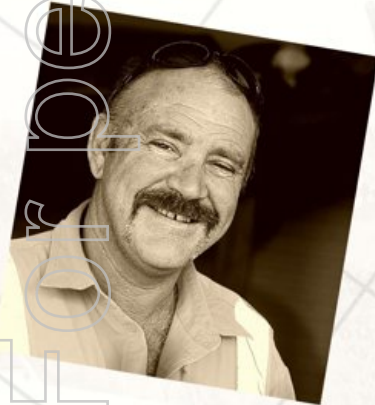
The leaching and reprecipitation is responsible for some of the spectacular high copper grades. Oxidation at Las Minerale has been observed at vertical depths in excess of 100m.



Native Copper & Chalcocite

Terra Search note in the conclusion of their report, "within the CuDeco tenements there are several other promising sub parallel linear breccia and alteration zones, additional to Las Minerale and Rocklands South".

- Chalcopyrite** ($CuFeS_2$) - primary copper iron sulphide mineral
- Pyrite** (FeS_2) - primary iron sulphide mineral
- Calcite** - a mineral made of calcium carbonate ($CaCO_3$). (USGS Geologic Glossary)
- Quartz** - one of the most common minerals in the Earth's crust. Made up of silicon dioxide (SiO_2)
- Breccia** - a rock made up of angular fragments of other rocks held together by mineral cement or a fine-grained matrix.
 - **Volcanic breccia** - is made of volcanic rock fragments, generally blown from a volcano or eroded from it.
 - **Fault breccia** - made by breaking and grinding rocks along a fault. (USGS Geologic Glossary)
- Bornite** (Cu_5FeS_4) is an important copper ore mineral



RC drill rig and crew



For personal use only

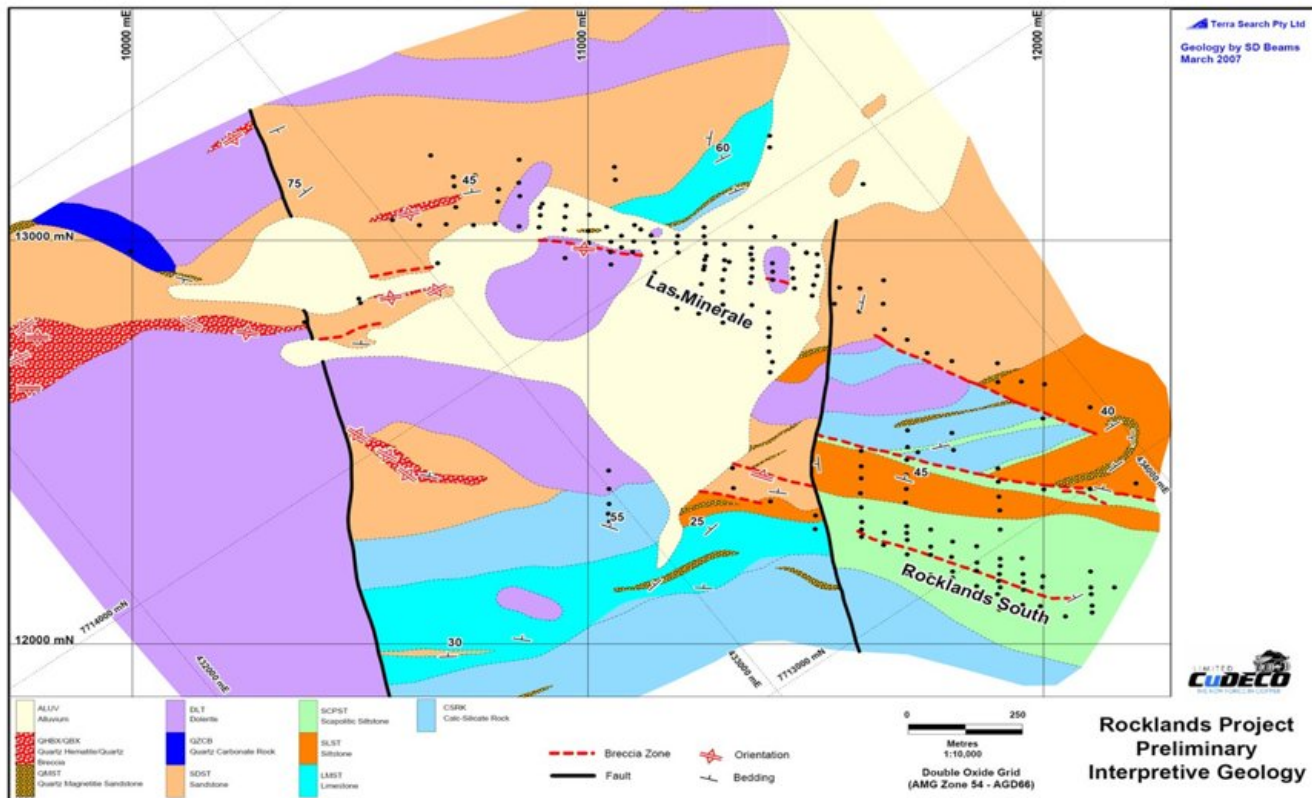
Rocklands

group of projects

EPM13049



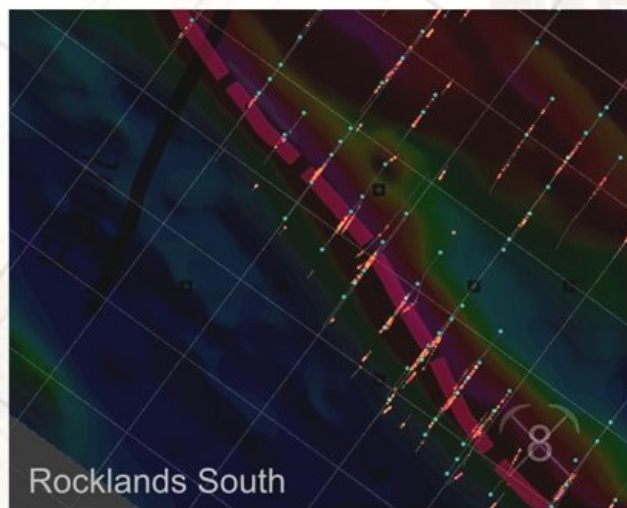
RC chip tray sampling



2. Rocklands South

More than 67 RC Drill holes were drilled on Southern Rocklands by CuDeco during the year and 37 holes drilled by others prior, along an 850m strike length.

A new diamond drilling programme commenced towards the end of Q4, with a planned total 36 hole programme to test below 200m.



RC drill chips bagged and recorded



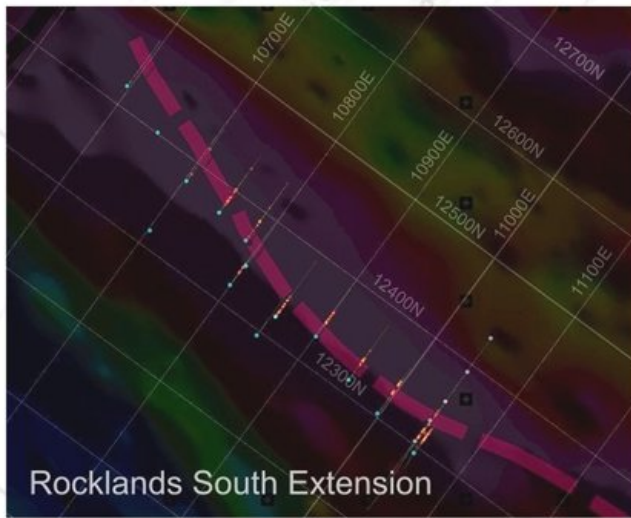
Rocklands

group of projects

EPM13049

3. Rocklands South Extension

The Southern Rocklands Extension discovery was identified by the SAM Geophysical Survey conducted early in the year. RC Drilling along a 500m strike length at 50m intervals confirmed continuous Cu, Co, Au, mineralisation from near surface.



A follow up drill programme is planned to upgrade the mineralisation into a resource category with the availability of new drill rigs.

Subtle outcrop of the breccia host continues from the most northern drill hole on Southern Rocklands Extension for a further 800m north west to a prominent 50m high outcrop to the north.



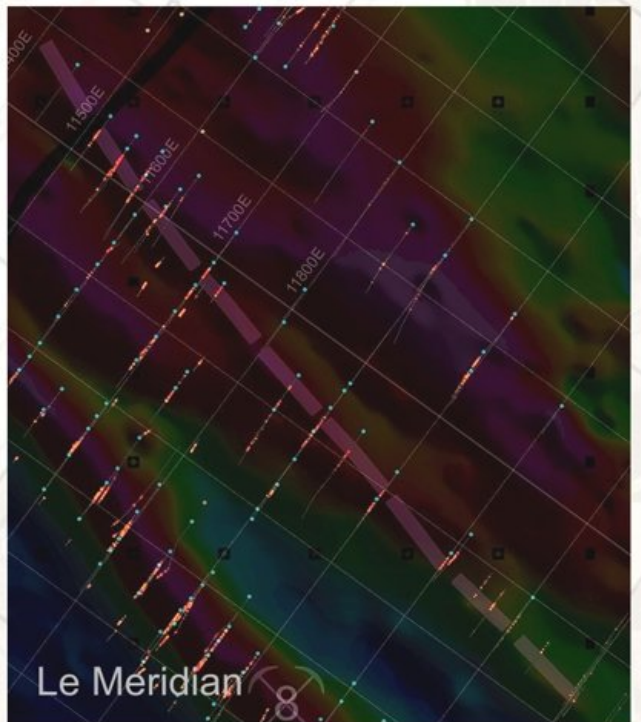
RC drill crew hit water



Breccia outcrop

4. Le Meridian

In spite of the relatively limited exploration drilling conducted away from Las Minerale during the year, the Le Meridian prospect was discovered between and striking parallel to Rocklands Central and Las Minerale.



For personal use only



Dual diamond rigs



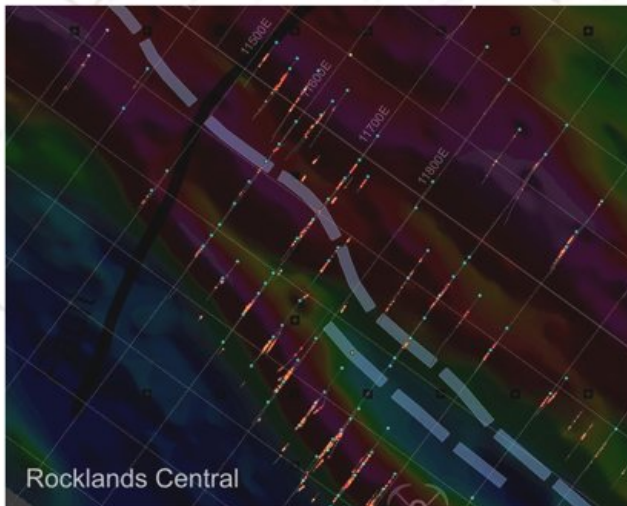
Rocklands

group of projects

EPM13049

Le Meridian was discovered by 20 RC Drill Holes drilled at 50m to 100m spacing along a 1,000m mineralised strike length. The zone was identified by numerous old workings, shafts and pits with malachite outcropping and staining and is visually identifiable on the surface for most of the 1,000m strike. Le Meridian is still open to the north-west along strike and at depth. A diamond drill programme is ongoing with visible copper mineralisation identified in subsequent holes.

5. Rocklands Central



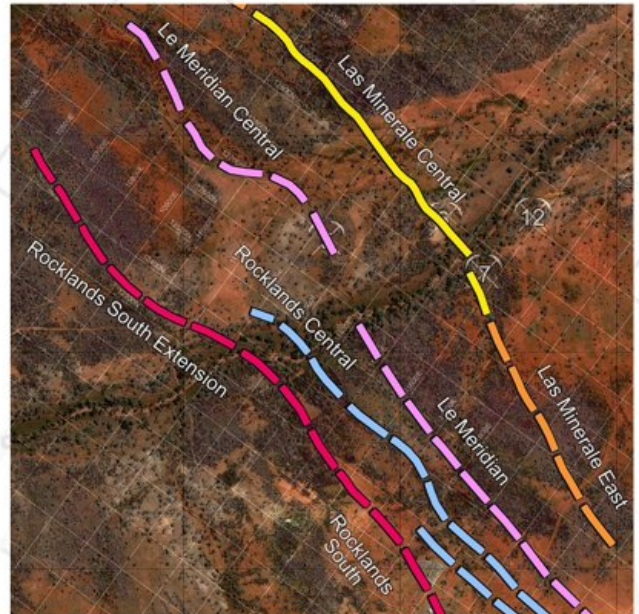
Rocklands Central

Reconnaissance drilling has indicated the likelihood of an expanded Rocklands Central footprint, which remains a target of interest due to its obvious importance in respect of a more contiguous project, being central to the apparent shear hosted mineralised system. Mineralisation here would have a significantly positive impact on the economics of future mining plans.

Diamond drill rig



RC crew with full suite of support vehicles



Interpreted sub parallel target zones

The Rocklands Central zone consists of a number of subordinate parallel shears striking 310° with coincident geochemical and geophysical anomalies which can be traced up to 2,000m and which represent a significant resource target.

During the year the Rocklands Central Zone was tested over a strike length of 800m. The Directors are confident that geological evidence supported by drilling, indicates the likely presence of significant copper mineralisation.

The main shear at Rocklands Central and Rocklands South is traceable over 1,500 to 2,000m and inclusive with Las Minerale, represents a suite of 5 shears over an area 1,000m wide.

As more drill rigs become available an intense drilling programme will be implemented at Rocklands Central with the objective to further define and link where possible, these mineralised zones over the apparent 1,000m wide shear zone, with the view of establishing the scope for a single combined resource.

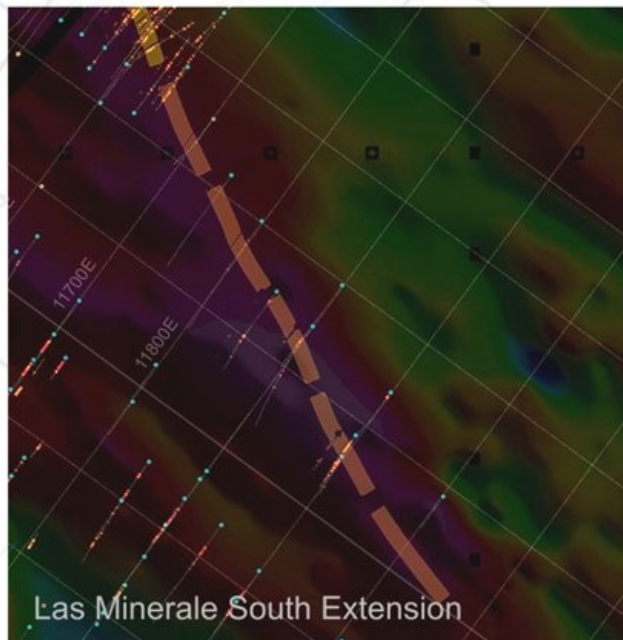


Rocklands

group of projects

EPM13049

6. Las Minerale South Extension



Drilling was diverted from initial mineralised discovery holes in this more southerly location during the year, in preference of chasing the northern extension and ongoing concentrated efforts on infill drilling of the Las Minerale Central zone.

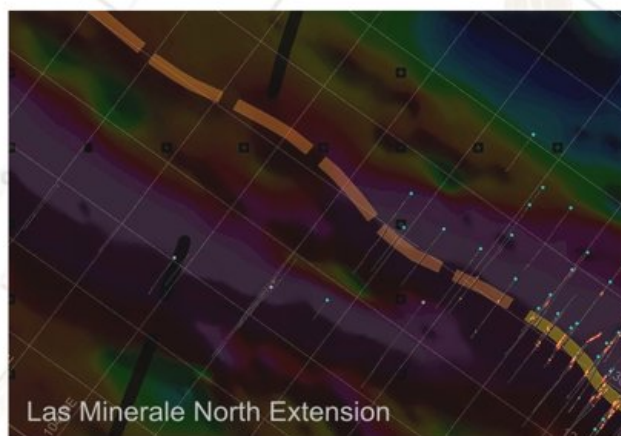
The Las Minerale South East Extension remains



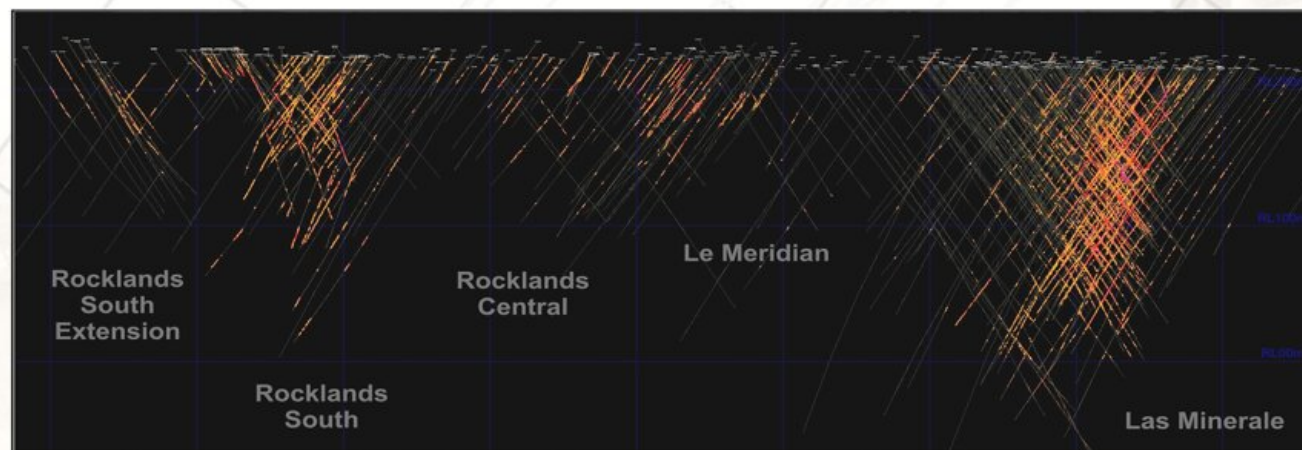
Goanna wondering what all the fuss is about

open and relatively un-drilled to date and remains an immediate focus of the Company upon drill rig availability, for exploratory, delineation and further infill drilling.

7. Las Minerale North Extension



The main Las Minerale north-west trend appears to have become less contiguous coincident with an interpreted east-west trending fault, however drilling continues to provide the occasional apparently random high grade wide intersections, suggesting continuity is likely.



Cross -Section looking North-West through Rocklands Copper Project

The wet season



For personal use only

Rocklands

group of projects

EPM13049



RC drill crew at work

The Las Minerale North Extension will require more detailed drilling and geological assessment and as such, may soon see a relocation of drilling efforts back to the south-east extension, at which time the north-west continuation will be revisited once additional geophysical survey data is available.

A Social Impact Assessment has been completed and Stream Sediment Data Collection has also been finalised with analysing nearing completion.

Environmental Impact Statement (EIS) – Rocklands EPM13049

Explanatory Note

An Environmental Impact Statement (E.I.S) is required to be carried out over the area applied for as a Mining Lease. CuDeco has applied for a Mining Lease over the entire 5 contiguous blocks known as EPM 13049.

An E.I.S is a condition of granting of a mining lease.

In August 2007 CuDeco engaged the services of Australasian Resource Consultants (AARC) a Brisbane based Environmental Consulting Group who have recently completed E.I.S Projects in the Cloncurry/Mt Isa Mineral Fields and are a leader in the industry. AARC have been issued the final Terms of Reference for the E.I.S by the Environmental Protection Agency (E.P.A) for the Rocklands Group Copper Project. The E.I.S will be finalized as part of the feasibility study.

To date significant work on the E.I.S has been completed on the soil and land suitability assessment for the project areas. Flora and Fauna Assessments have been completed and a draft report issued.

Specific Mine Areas – E.I.S.

Drilling by CuDeco of the areas for specific mining information as part of the E.I.S being carried out by AARC is underway. To accelerate the process CuDeco is concentrating on drilling out strike lengths of the zones of mineralisation. Sterilization drilling will be undertaken to identify the area required for the mine, plant and associated infrastructure, required under the Terms of Reference for the E.I.S.

In addition a blanket Soil Geochem Programme will be completed in the September quarter to cover the whole EPM 13049 (Mining Lease Application). The Geochem Soil Programme will assist in focusing the sterilization drilling and accelerate the completion of this programme. The Soil Geochem Programme is to temporarily replace the Bedrock Drill Programme which is limited to between 50-100 drill holes per day. The Geochem Soil Programme is to be survey gridded at 200m wide spacing at 40m intervals along the 210° S/ 30° N grid lines. The Bedrock Geochem will target the high grades mineral anomalies identified from the Soil Geochem Programme.

Conceptual Mine Layout – E.I.S.

As part of the E.I.S, AARC require conceptual mine layout for areas including specific mine areas, location of pits, waste and rock dumps, workshops, haul roads, treatment plant areas. These areas will be defined by sterilization drilling.

Civil Engineering Group Mt Isa Construction has been engaged on a permanent basis to complete the study with an implementation timetable for the CuDeco Board.



Diamond core splitting prior to dispatch to SGS labs



Rocklands

group of projects

EPM13049

Civil Engineering – Footprint Modelling

The E.I.S. application lodged with the E.P.A allowed for a "footprint model" and envisaged a throughput of 5 million tonnes of ore feed per annum for 20 years. However, this tonnage may change or be adjusted as drilling, resource estimates and further resources on the tenement continues, and definition of the resource calculation continues. It is a requirement on lodging an application with the E.P.A that a forecast of production model and a description of associated infrastructure accompany the application.

Towards the end of the period, the Company contracted the services of a Civil Engineering and Construction contractor to carry out a study on the following:

1. Access roads to proposed mine site (Connect to Mt Isa/Cloncurry road)
2. Access route for proposed power supply (Ergon Energy)
3. Storm Water diversion
4. Contour map of the site
5. Water supply and site storage



RC drill crew at work

Metallurgical Development: Rocklands Group Copper Project

Mineral Liberation Analysis (MLA)

MLA test work was completed by Metallurgical Consultants, JK Tech, during the quarter and revealed some potential benefits for processing of the Rocklands ore. The MLA results have shown that the principal copper mineral in the primary zones is chalcopyrite (34.6% Cu), and the principal copper



Typical large scale SAG Mill

minerals in the supergene zones are chalcocite (79.9% Cu) and native copper metal.

The relatively high grain sizes of the principal copper mineral means that the amount of crushing and grinding required for efficient liberation of the copper minerals will be less than what is considered average for copper mineral processing.



Inside a SAG Mill

RC rig at work



Rocklands

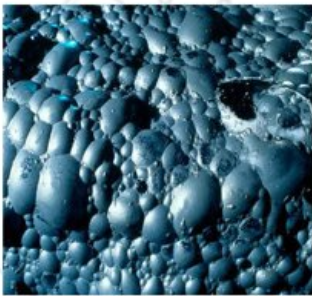
group of projects

EPM13049



Example of Column Flotation Cells

The most expensive cycle in the treatment of metaliferous ores for recovery of valuable minerals results from the power consumption for crushing and grinding of the ore (rock).



Flotation "Froth"

The minerals are liberated from the ore by grinding it to specific sizes, the parameters of which are ultimately dictated by the specific particle size required to liberate the copper metal (or other minerals) from the host material. In the majority of cases, the ore is ground down to around

80 – 100 microns (talcum powder particle size), which requires two or more grinding mills.

Tests at this stage indicate the Las Minerale ore will only require a simple grinding circuit, with fewer grinding cycles than other such circuits might require, to achieve the efficient liberation of the copper metal or mineral. The Company has been advised that possibly one SAG mill would be capable of processing this ore. Results to date show a grind size of 140-400 microns liberated 95% of the copper.

Apart from potentially significant

Morris Creek in flood



Core split prior to dispatch to assay labs

savings in capital and maintenance costs, the potential for savings in power consumption is the most significant, due to the coarse grind size.

Although the gold grain sizes are shown to be much smaller, it is possible that this can be recovered in conjunction with the copper concentrates. Similar investigations are planned for recovery of the cobalt fractions.

The final stage of the metallurgical study is still to be completed. Grinding and crushing tests such as Bond index tests are currently in hand, and flotation studies will commence shortly to determine the probable process and potential recoveries.

Native Copper Metal



Native copper extracted from separate 1m quarter core

A programme of testing for separation of native copper metal was undertaken by Roche Minerals.

Preliminary results show that with relatively simple techniques high recoveries of native copper metal can be achieved.

A programme for assessing the purity of native copper metal from the supergene zones at Rocklands has commenced. Preliminary results indicate low levels of elements considered undesirable by smelters. Further process testing is planned in conjunction with flotation testing.



Rocklands

group of projects

EPM13049

Project Feasibility Study

Metallurgical testing is an important element of the project feasibility study and is used to provide the data necessary for design of the processing plant and services such as tailings dams and waste rock placement and for the final design of the mine.

Expressions of interest have been received from engineering companies that have the necessary expertise to take the project through to a successful completion. Scoping requirements for the feasibility will be sent out Q1 2008 and will encompass all aspects of the project such as an Environmental Impact Statement, Native Title outcomes, supply of major services such as power and water and other infrastructure such as roads and service corridors.

Bedrock Geochem

In addition to deeper RC and diamond drilling in concentrated areas across the tenement, a comprehensive bedrock geochemical drill programme (est. 10,000 holes) was instigated during the fourth quarter. This programme was primarily designed to locate copper mineralisation and confirm bedrock geology. It specifically targeted; areas along strike from Las Minerale and Rocklands South deposits; various geophysical anomalies and; other targets within the 2,200 hectare Rocklands EPM13049 tenement. Anything from 50 to 75 holes up to 6m deep were drilled daily in what amounted to a complimentary and entirely separate geochemical programme.

Independent Geological Consultants, Terra Search Pty Ltd, were contracted to test the bedrock



Dual diamond rigs

drill samples for uranium at 1 metre intervals using a SSP2- Scintillometer.

Soil Geochem Programme

The Bedrock Geochem Drill Programme has made way for a surface Soil Geochem Programme which will hasten targets for bedrock drilling and provide a focus for sterilization drilling.



Bedrock geochem drilling

The sterilization drilling is designed to identify areas where the copper treatment plant and associated infrastructure may be positioned. These areas include roads, rock dumps, tailing dams, water dams, ore dumps, and possible heap leach circuits for oxide ore and areas for the flotation and recovery plants. The sterilization drilling commenced in the south eastern region of the EPM where the topography is generally flat which will eliminate or reduce major civil works.

CuDeco Sampling and Reporting Procedures

The results in CuDeco's announcements are obtained using Industry Standard chemical assay

TV90772	248	32	Cu	Co
0823	161106		AAS22D	AAS22D
METHOD				
LOI DETECTION			0.01	10
LOI DETECTION			30.00	50000
UNITS			%	PPM
DORC 165 125			1.64	1085
DORC 165 126			0.58	445
DORC 165 127			0.57	460
DORC 165 128			1.05	410
DORC 165 129			1.29	600
DORC 165 130			5.23	690
DORC 165 131			0.54	590
DORC 165 132			1.04	670
DORC 165 133			0.41	1170
DORC 165 134			0.89	1000
DORC 165 135			0.65	770
DORC 165 136			0.51	840
DORC 165 137			1.63	990
DORC 165 138			1.89	670
DORC 165 139			2.32	680
DORC 165 140			2.94	690
DORC 165 141			0.73	620

Anomalous Zone >0.2%
 Economic Zone >0.2%
 High Grade Zone >1%
 High Grade Zone >2%

Diamond drill rig



For personal use only

Rocklands

group of projects

EPM13049

of drill chip and core samples undertaken by the independent, NATA accredited laboratory, SGS Australia Pty Ltd (Townsville).

For reverse circulation (RC), samples analysed are collected by the drilling contractors and CuDeco personnel from splits (typically ~3 to 5kg) of bulk rock chips (typically ~20kg) from 1m down-hole intersections. For diamond drill core, the core is cut with a diamond saw and halved down the long axis and for the larger diameter core, quartered down the long axis. A representative portion of the 1m intervals of cut core (i.e. 50% and 25%) is sent to the laboratory for assay.



RC sample bags

CuDeco has used the services of SGS Townsville since the commencement of the drilling programme on the Rocklands Project in November, 2005. Assay results are presented as a direct extract from the analytical reports received from the Laboratory.

Alternative Assay technique

CuDeco has developed with SGS alternative assaying techniques (Suites 1 to 4) for different styles and concentrations of mineralisation. Results published in CuDeco's ASX Announcements

Diamond drill rig and crew



RC drill crew at work

are for consistency taken only from assays obtained by the same analytical technique (Suite 1).

		Comparative assay:	
		Minus 3mm fraction	Total sample
DORC87		Cu	CuME1
METHOD		AAS22D	AAS40G
LDTECTION		0.01	0.01
UDETECTION		50.00	1,000.00
		G (Cu %)	
From	To	%	
48	49	8.89	30.30
49	50	3.50	31.50
50	51	4.68	22.00
52	53	6.45	23.00
70	71	7.64	45.60

Alternative assay results for the same 1m section of chips

For verification required for JORC compliant resource and reserve estimates, analytical Suites 2 and 4 were designed to accurately test the ore grades within the various concentrated zones (e.g. native copper and chalcocite).

Suite 3 was designed to assist in defining the mineralogy (rock type).

The sampling procedures and analytical techniques are designed to generate representative results from the intersections drilled, sampled and assayed. The Company's consultants and the Laboratory implement check, repeat and umpire sampling for quality assurance and quality control (QA/QC).



Native copper metal in RC chips

Average assay results from drill holes reported in CuDeco's announcements over multiple intersec-



For personal use only

Rocklands

group of projects

EPM13049

tions are calculated as the simple average of those assay results. In this respect these average assays are not adjusted (i.e. mathematically weighted) by reference to the bulk density which applies to the individual intersections reported.



Native copper in drill chips

The Company's consultants have developed a programme for determining the bulk density of mineralised rock units which is required for JORC Compliant resources and reserves calculations and mine planning.

Native Title

Directors are in constant contact with the 2 indigenous groups who have an overlapping interest on the Mining Lease Application (MLA) over the Rocklands Project applied for by CuDeco. A number of meetings with the groups and their legal representatives have resulted in an offer of agreement by CuDeco in relation to the MLA.

Importantly, the entire area of the MLA has been cleared by both indigenous groups of any significant areas of interest.



RC drill rig and crew



RC drill crew at work

Purpose Built Laboratory

A purpose-built and designed laboratory was purchased and mobilized to site during the year. Once completed, the new laboratory will provide expedited results analysis to assist the geological team make on the spot decisions for exploration drilling.

The lab will also include a new 1,000m² drill core storage facility.



Directors Wayne McCrae and Peter Hutchison holding a section of native copper impregnated diamond core.



Split diamond core



For personal use only

Rocklands

group of projects

EPM13049

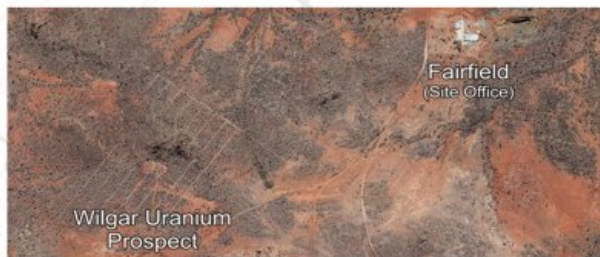
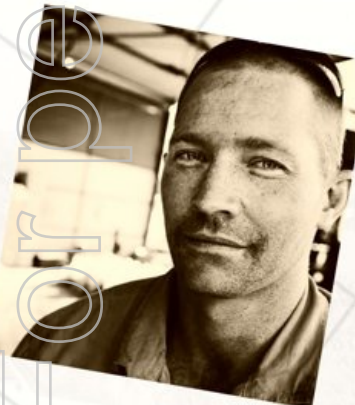
Rocklands Uranium Project

Overview

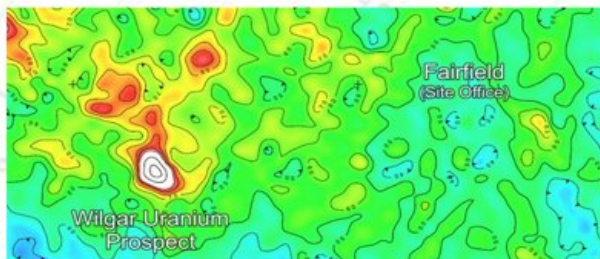
In April 2007 the Company carried out reconnaissance ground radiometric surveying and rock chip sampling at the Wilgar North Prospect. Exploration results have confirmed the prospect's excellent potential to host uranium mineralisation.

The Wilgar Uranium, "base metals uranium" prospect is independent and "stand alone" from the Rocklands Group Copper Project. Located within the 2200ha EPM (now mining lease application) its location is approximately 1.3km's to the north east of Las Minerale and located on an east west structure as opposed to the NW/SE Las Minerale strike trend.

To date reconnaissance ground radiometric surveying has identified an area of 50m x 30m as the centre of a radiometric high. The survey utilized a SPP2 scintillometer which records total radiometric counts. Ground radiometric readings are all above a background of 500counts per second with several outcrops and soil areas returning greater than 1,000 counts per second up to maximum of 15,000 counts per second. The latter is the highest scale on the instrument.



Satellite image of Wilgar showing geochem drill grid



Radiometrics over Wilgar (same field of view as above im-



Rocklands mineral samples at the on site geological office

Calcareous rocks outcrop in the area of high radiometric counts. Rock chip sampling returned highly anomalous uranium values. Of the 16 samples collected, 14 returned greater than 200 ppm uranium with two samples up to 6,500 ppm and 53,000 ppm (0.65% and 5.3% uranium.)

The highest grades of uranium were returned from quartz carbonate rocks which consist of coarse sparry pink manganiferous calcite, intergrown with quartz and minor red feldspar. Patches (up to 1cm) and thin veins of the primary uranium mineral uran-

inite (pitchblende) occur in the quartz carbonate rock.

Oxidation has produced fracture coatings of minor secondary yellow and green uranium minerals. Copper is evident as minor malachite. High lead and silver are also present in the rock chip samples. (See Analytical Results next page)

The base metal and silver association, quartz-carbonate-red feldspar host rock, together with the presence of uraninite, suggest a primary hydrothermal, rather than a surficial, origin for the mineralisation.

The significance of these results is being evaluated with bedrock drill sampling.

Sample Recovery and Analytical

Sixteen rock chip samples were taken from a number of costeans (1m deep trenches) and from surface within the general Wilgar Uranium Anomalous area discovered by CRA in 1972. Each sample con-

RC drill rig and sample bags



Rocklands

group of projects

EPM13049



Dual RC drill rigs

61772 230307	Ag	Ag	Ag	Cu	Cu	Pb	Pb	U	U	U
METHOD	AAS43B	ICP40Q		ICP40Q		AAS43B	ICP40Q	ICP40Q	IMS90Q	
LDETECTION	50	2		5		0.01	10	10	0.25	
UDETECTION	40000	200		10000		40	5000	10000	100000	
SAMPLE NO	PPM	PPM	Ounces	PPM	%	%	PPM	PPM	PPM	%
UW01	-	28	0.90	153	0.02%	-	300	120	-	0.01%
UW02	-	74	2.38	1120	0.11%	-	250	140	-	0.01%
UW03	-	25	0.80	86	0.01%	-	140	190	-	0.02%
UW04	-	64	2.06	378	0.04%	-	280	90	-	0.01%
UW05	260	>200	8.36	2630	0.26%	-	820	280	-	0.03%
UW06	-	93	2.99	1280	0.13%	-	130	180	-	0.02%
UW07	-	48	1.54	725	0.07%	-	140	70	-	0.01%
UW08	-	30	0.96		0.00%	-	290	260	-	0.03%
UW09	260	>200	8.36	73	0.01%	-	3380	230	-	0.02%
UW10	-	77	2.48	434	0.04%	-	1450	350	-	0.04%
UW11	1580	>200	50.80	7030	0.70%	-	2910	570	-	0.06%
UW12	-	127	4.08	613	0.06%	-	540	150	-	0.02%
UW13	-	142	4.57	797	0.08%	-	740	230	-	0.02%
UW14	-	22	0.71	64	0.01%	-	3830	6500	-	0.65%
UW15	-	62	1.99	159	0.02%	1.61	>5000	>10000	53000	5.30%
UW16	-	106	3.41	1410	0.14%	-	950	1030	-	0.10%

sisted of approx 15-25 rock chips and soil with a total weight each of approx. 1kg.

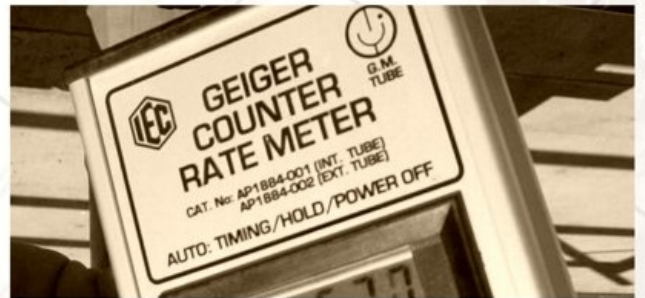
The SGS Laboratory in Welshpool WA was instructed to carry out a multiple element scan ICP (Inductively Coupled Plasma) for 24 elements.

One Uranium sample assayed up to 5.3% (53,000ppm) U, (180 pounds U per tonne), 2 samples assayed over 8 ounces Ag with one sample assaying 50 ounces per tonne Ag, with other samples assaying up to 0.7% Cu and 1.6% Pb.

See Table above.

Cu = Copper, Co = Cobalt, Pb = Lead,

Ag = Silver, U = Uranium, ppm = grams/tonne
10,000 ppm = 1%, 31grams = 1 ounce



Instant readings from Geiger Counter

Uranium Assays – SGS Laboratories

Samples taken by CuDeco's geologists in a costean 50 metres NNW of the Wilgar Uranium Anomaly returned high grade uranium results from analysis.

RC drill rig and support vehicles



For personal use only

Rocklands

group of projects

EPM13049

Samples were taken across a sub surface structure exposed by costeans, with the following results:

Wilgar Sample No.	Uranium (u3o8)
3	0.17%
4	0.14%
5	0.10%
6	0.13%

The following is an extract from CRA (Rio Tinto) 1972 Report on Wilgar Uranium Anomaly;

9.1.2 *Uraninite-kasolite Anomalies*

One uraninite-kasolite occurrence was found in the Plcl unit near the Wilgar mine (see map Qd 86) and near the base of the unit Uranium mineralisation appears poddy or concretionary in the B horizon of the soil profile. Around the core of the uraninite an alteration margin of kasolite has developed with clusters of kasolite octahedral pseudomorphs after uraninite attached to it. The material is highly radioactive, contains up to 39% uranium and is associated with some copper mineralisation.

CuDeco has noted high radiation measurements up to 15,000 counts per second which is the maximum recording level for the Scintillometer near the Wilgar Uranium Anomaly. These high recordings were from rock samples at the CRA costean.

Urananite rock specimens have been identified and radiation counts ranging between 500 and 5,000 recorded during the bedrock drilling programme in and near old costeans in the area.

Bedrock drilling in close proximity to this anomaly was suspended



Diamond rig

until specialist breathing apparatus and protective clothing is made available to the drill and support crews.

Although the grades are high and encouraging, Wilgar Uranium is not a priority prospect for the Company in the immediate future. However, we have assigned a geologist to carry out follow up evaluation and a more detailed exploration programme in the months ahead, with the likelihood of a limited diamond drill programme.

At this stage no size can be attributed to the find, as the work is preliminary, but to date the uranium anomaly appears to persist over the 50 metre zone tested.

Mt Norma Copper Sulphate Project

In March 2007, CuDeco entered into an unconditional agreement for the sale of the Mt Norma Copper Sulphate business and other non-core mineral leases, to Queensland Mining Corporation Pty Ltd (QMC), for consideration of \$7.925 million by way of shares and cash.



Mt Norma plant and leach pads

Following the sale of Mt Norma on 16th March, 2007, the operations have been maintained by CuDeco in a caretaker role, with the Company pro-

Diamond drill at work



Rocklands

group of projects

EPM13049



Mt Norma plant



Caterpillar Dump Truck and driver, used to transport copper ore mined at Mt Norma.

viding handover assistance agreed for a period of 3 months following settlement in mid-June. The Company also provided machinery on a hire basis to allow mining and leach vat construction to continue.

Assistance was provided for mining, construction of a 175,000 tonne leach vat and major maintenance and upgrade work to the copper sulphate processing facility.

It is expected that CuDeco shareholders will be invited to participate in the IPO of QMC through offer by way of a priority allocation of shares.

The Mt Norma Operations contributed revenue to CuDeco from the sale of 507,200kg of copper sulphate pentahydrate.

The Company still intends to pursue the claim for significant damages caused by the introduction of substituted sub-standard kero-

sene into its process following a delivery received in late 2004.



Copper sulphate travels via auger to dryer

Copper Sulphate bagged and ready for dispatch



For personal use only



Rocklands

group of projects

EPM13049

Corporate

Change of name

At a meeting held on 12 July 2006 shareholders approved a change in the Company's name from Australian Mining Investments Ltd to CuDeco Ltd.

Sydney Mining Club presentation



Screen shot from DVD presentation

On February 1st 2007, CuDeco Chairman, Mr Wayne McCrae presented the Rocklands Copper Project and the "CuDeco story" to a packed house of industry peers.

It was one of the few fully booked presentations at the Sydney Mining Club for the year.

Presentation to James Cook University

During the third quarter a preliminary geological model was completed by Geological Consultants Terra Search Pty Ltd. Technical

Aerial view of RC drill rig and support vehicles



Visitors inspect diamond core

aspects of this model were presented jointly by Terra Search C.E.O, Simon Beams and the Rocklands Chief Geologist, Malcolm Carson, at the James Cook University Economic Geological Research Unit's, International Symposium on Breccias which was held in Townsville in late June.

Inclusion in S&P/ASX 300

On March 2, 2007 — Standard & Poor's Index Services, the leading provider of equity indices in Australia, announced that effective close of trade March 16, 2007, the CuDeco stock (ASX:CDU) was added to the S&P/ASX 300 index.

Capital raisings / share issues

- During the year to 30 June 2007, the Company received \$12,445,642 as subscription monies for the conversion of listed options and unlisted employee options into ordinary shares.
- During the year to 30 June 2007, the Company issued 2,256,250 shares for redemption of all 451,250 convertible notes and the convertible note debt has been retired.
- In June 2007 the Company issued 2,186,222 shares at an issue price of \$3.18 each pursuant to a Share Purchase Plan announced on 11 May 2007. The funds raised will be used for continuing exploration at the highly prospective Rocklands Group Copper Project.

Visit to site by Significant Chinese Mineral, Mining and Metallurgy Group



Rocklands

group of projects

EPM13049

During June 2007 the Company entered into discussions with a large Chinese Mineral, Mining and Metallurgy Company with the view to investing in CDU with various diversified options.

The Directors are keen to "Value Add" the copper mineral which may be produced from the Rocklands Project. Such value adding would include small gauge copper tubing which may be produced in Australia with Chinese technology.

It is emphasized discussion were only preliminary.

A two day site visit was arranged with senior representatives from the Company.

List of Geological & Engineering Consultants currently engaged by the Company on the Rocklands Copper Project

1. Mineral Resource Consultants – Chief Geological Consultant
2. Terra Search Pty Ltd – Field Geological, Core Logging, Lithological Consultants, Geological Information Data storage.
3. Coffey Partners – Resource Estimation Consultants
4. Snowdens – Audit Geological Consultants
5. Hellman & Scholfield – Quality Assurance & Quality Control Processing Consultants
6. S.G.S Laboratories – Analytical Assays



Field geological reconnaissance



RC drill crew taking 20kg bulk samples

7. A.L.S Laboratories – Analytical Assays
8. JK Tech – Metallurgical Consultants
9. Roche Mining – Metallurgical Consultants
10. Mt Isa Constructions – Civil Engineering Consultants

Developments subsequent to June 30, 2007

Passing of Director Mr Tim Koitka "a real mining engineer"

It was with heavy heart we reported the death of fellow CuDeco Director Mr Tim Koitka on Wednesday, 22nd August, 2007, from a massive heart attack...well before his time.

A true man among men, he loved every hands-on aspect the mining game could throw at him...yet he was also blessed with a kindred soul and generosity of spirit, which will be dearly missed by all who knew him.

Las Minerale Metallurgy



Wide diameter drill core



Rocklands

group of projects

EPM13049



Bedrock geochem drilling

Close space drilling has continued within the central part of the Las Minerale resource as part of the upgrading of the resource category for this zone.

In addition, several PQ (wide diameter 100mm) diamond core holes have recently been drilled at various locations in the central zone of Las Minerale in order to provide large diameter core samples representative of the various forms of Copper mineralisation (e.g., Oxides, Native Copper, Chalcocite and Chalcopyrite) which will be used for crushing and sag mill metallurgical test work for the Rocklands Feasibility Study



Wide diameter drill core ... solid chalcopyrite

sulphide mineralisation continued to footwall contact at 83.30 metres

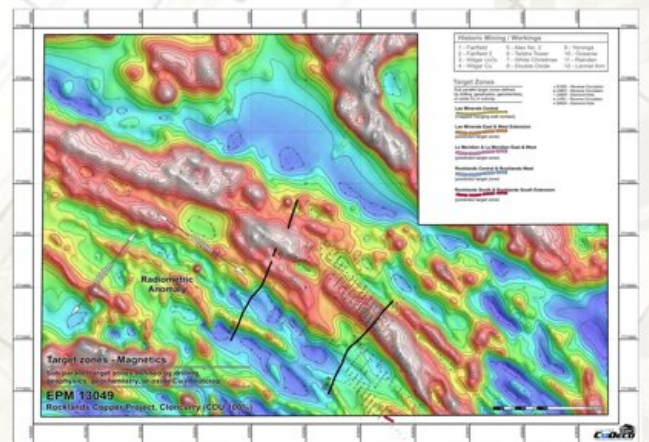


Wide diameter drill core—intense chalcopyrite

Airborne Aeromagnetic and Radiometric Survey

Low level close spacing Airborne Aeromagnetic and Radiometric (AM/RAD) Survey was completed over the entire area of CuDeco's EPM 13049 (Rocklands) during August 2007. The information derived from the survey covered areas not previously covered by the Sub Audio Magnetic (SAM) Geophysical Survey carried out in 2006.

The first PQ metallurgical drill hole (LMDH031, 11493E 12878N) which was drilled between DORC097 and DORC098 has provided the geological team with spectacular, very high Cu grade massive sulphides. The drill intersected copper oxides from less than 1m from the surface to 11m. At 11m the hole penetrated a weathered and oxidized breccia with pyrite which gave way to extremely massive chalcopyrite with chalcocite at 13.70 metres to 20.80 metres. Very significant



Aeromagnetic survey



RC drill rig and crew



For personal use only

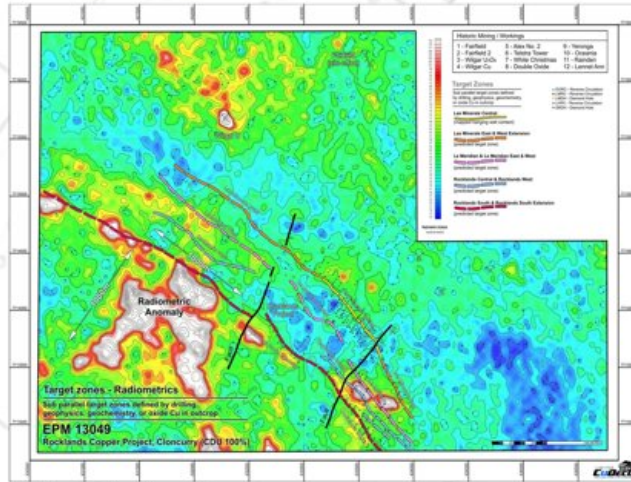
Rocklands

group of projects

EPM13049



Diamond core split prior to dispatch to assay labs



Airborne Radiometric survey

The new airborne survey delivered additional and valuable geological information that requires follow up exploration.

The Radiometric Survey, which was carried out simultaneously with the flying of the magnetic survey, identified numerous anomalous uranium areas. One small anomaly identified in the survey to the north of the EPM accurately defined the known Wilgar Uranium anomaly discovered by CRA (Rio Tinto) in 1972 and subsequently drilled by the Company.

The second uranium anomaly to be identified by the survey is much larger and sits in virgin territory in the south-west of the EPM To date no exploration has been carried out over this area.

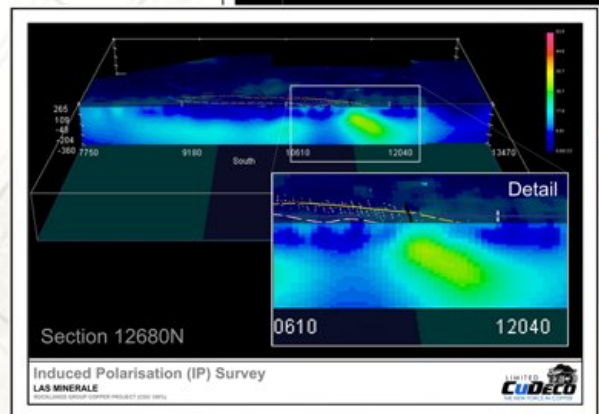
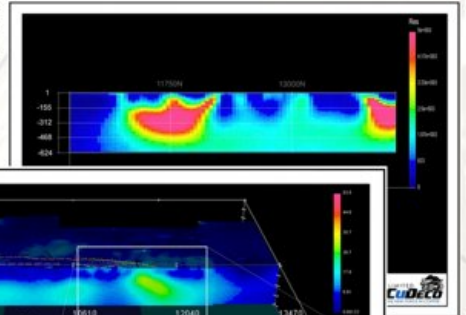
Follow up testing will commence once the prioritised Cu, Co, Au resource drilling has been completed.

Induced Polarization Geophysical Survey (I.P.S.)

The Rocklands EPM recently saw a major I.P. Survey to test approximately 90% of the total tenement...the results of which are nearing completion.

This particular survey method is designed to identify sulphide mineralisation to depths of 500m and provide the results in 3D images. The SAM Survey completed in 2006 has been a valuable exploration tool used by the geological team at Rocklands to define drill targets designed to test sulphide mineralisation along strike and up to 200m vertical depth. Subsequent drilling has confirmed sulphide mineralisation exists below 200 m.

This state of the art survey was carried out by the Toronto based Company, SJ Geophysics Ltd. The survey was designed to locate sulphide mineralisation between the surface and vertical depths of several hundred metres. The data will be presented in a 3D format which will enable the Company to accurately prepare a deep diamond drilling programme.



Cross section at 9390E IP survey (resistivity and charge-

Geological site office

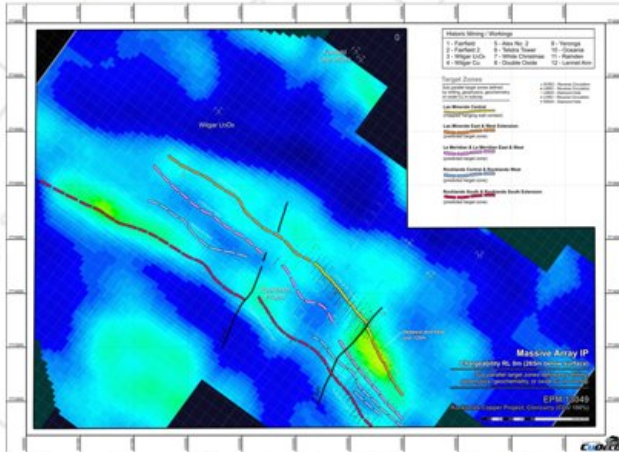


For personal use only

Rocklands

group of projects

EPM13049



Plan view of IP results (Chargeability 265m below surface)

Preliminary results from the survey area have identified significant anomalies coincident with known zones of copper mineralisation and several new targets at depths of several hundred metres east and west along strike of Las Minerale, Rocklands South and Le Meridian. Two very large anomalies have been identified on the S.W. corner of the EPM which is coincidental with the Airborne Mag/Radiometric survey which identified a 1 kilometre X 1 kilometre anomaly with the second being identified over the eastern extension of Las Minerale.

In addition, the preliminary results from Array #1, show several other significant anomalies in previously untested areas on the tenement.

The SJ Geophysics crew advised CuDeco site personnel that the chargeability signals were clean and consistent, presenting "good data" in their view.

The anomalies are also showing spatial coincidence with the SAM anomalies (targeted zones) previously reported to shareholders. As they come to hand, the results are being plotted and interpreted



Bedrock geochem drilling

in order to generate precise targets for a focused deep drilling programme.

Drilling Wilgar Uranium/Base Metals Prospect

Three diamond holes were drilled to test the previously identified (through rock chips and RAB drilling), anomalous Uranium mineralisation at the Wilgar Prospect.



Diamond drill core...pitchblende (uraninite)

The current area of drilling is in immediate proximity to where CRA (Rio Tinto) discovered high grade 39%U in 1972. The specific area being drilled at Wilgar was also identified as a Uranium anomaly in the recent radiometric uranium aerial survey. Exploration drilling at Wilgar is preliminary and shallow <100m, the drill holes have intersected visual primary uranium which appears very high grade in the form of Pitchblende / Uraninite UO₂ to UO₃ (nom U₃O₈), (primary Uranium Oxide).

Diamond drill hole WUDH001 (432,298mE 7,715,623mN AGD66 Zone54) was designed to test anomalous uranium, silver, lead and copper results reported from rock chip and vertical RAB drilling.

A uranium anomaly, identified in a recent airborne aeromagnetic radiometric survey, coincides with this target. The angled hole (Azimuth 335° Declination -

Geiger counter readings over Pitchblende in Wilgar core

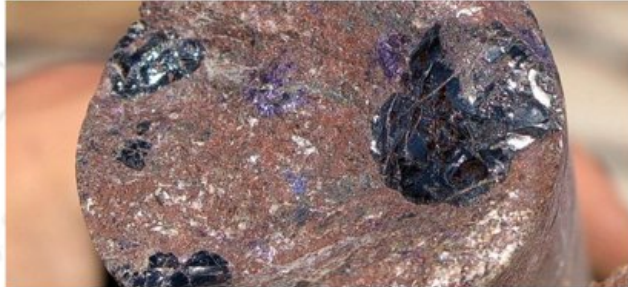


For personal use only

Rocklands

group of projects

EPM13049



Diamond drill core...pitchblende (uraninite)

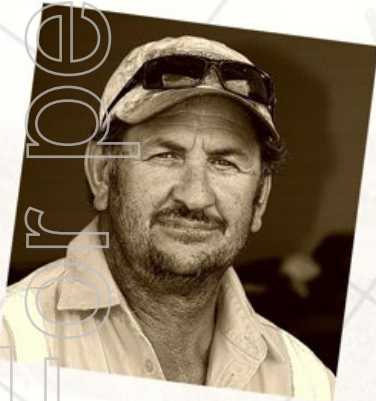
55°) intersected a breccia, interpreted to be Corella Formation, in which minor magnetite, specular hematite, pyrite and chalcopryrite are present. At 200.55 metres the hole intersected a zone containing epidote - biotite - chlorite - silica - pyrite - chalcopryrite. The sulphides are very finely disseminated within the rock. Assay results are pending.

Approximately 8 exploration diamond core holes will be drilled as part of a preliminary test of the Uranium, Copper, Lead and Silver occurrences, which were initially identified from chip samples and shallow bedrock drilling. Appropriate OH & S procedures will be followed during this programme.

Purpose Built Laboratory

The purpose-built and designed laboratory is expected to become fully operational during the October-December quarter 2007, after some delays in construction and supply of specialised fittings.

The purpose of the new laboratory is to provide expedited results analysis to assist the geological team make on the spot decisions for exploration drilling.



Core storage and dispatch facility under construction



New 1,000m² diamond core storage facility under construction

Assaying of all drill samples for resource definition will still be carried out by independent Laboratories, SGS Australia.



Lab under construction

Appointment of non-Executive Director Mr Paul Keran B. App. Sc., B.E. (Chemical), Dip. B.A

On July 3 the CuDeco board welcomed the appointment of Mr Paul Keran, B. App. Sc., B.E. (Chemical), Dip. B.A., as a non-Executive Director of the Company.



Mr Keran, a former Fellow of the Australasian Institute of Mining and Metallurgy, is a chemical engineer with more than 30 years experience in the resource sector in Australia and internationally, in senior operations management and project development roles in base metals mineral processing, smelting, and technology development.

He was previously with MIM Holdings as General Manager – Group Metallurgical-Development, and Metallurgical Works Manager at Mount Isa. He also



Rocklands

group of projects

EPM13049

completed technical assessment and development of the US \$1 billion Alumbreira copper/gold project in Argentina. His past experience also includes synthetic rutile production, and operation of a demonstration plant for production of directly reduced iron in the USA.

Mr Keran's wealth of experience will be a valuable contribution to the CuDeco board as the Company embarks upon the development phase of the exciting Rocklands Copper Project.

The CuDeco board extends a warm welcome to Mr Keran on behalf of all shareholders.

Appointment of non-Executive Director Mr William (Bill) Cash

On July 30 the CuDeco board welcomed the appointment of Mr William (Bill) Cash as a non-Executive Director of the Company.

Mr Cash gained an enormous amount of experience whilst employed for over 20 years by MIM holdings Group (now Xstrata), with particular responsibility for sales contracts for metal and concentrate products from the Mt Isa and McArthur River base-metal mines.

His wide range of experience includes sales and marketing of base metal concentrates and metals, including contracts administration and shipping and handling logistics, as well as feasibility studies and the development of marketing strategies for new mining projects, particularly in the copper, zinc and lead metal and concentrate business.



Dual diamond drill rigs

As a director of CuDeco he introduces a diverse range of experience gained with a major mining house, and with it a significant and invaluable contribution to the CuDeco board.



Mr Cash joined the MIM group in 1980, initially in the local coal division and then the metals division in 1985. From 1999 to 2002, Bill was General Manager Marketing and Shipping during the start phase of MIM's Lisheen zinc and lead mine in Ireland, where he established the marketing, sales and shipping logistics for the mine and its products.

The CuDeco board extends a warm welcome to Mr Cash on behalf of all shareholders.

Capital Raising finalised

In July 2007 the Company issued 8,235,885 shares at an issue price of \$3.18 to clients of specialist institutional broking house, Lodge Partners and clients of Martin Place Securities Pty Ltd raising \$26,190,114. The funds will be used to advance the Company's Rocklands Copper Group project, including continued drilling, engineering studies, metallurgical studies and other infrastructure development expenditure.

On the back of this placement, the Company welcomes a number of new institutional shareholders to the register and look forward to their ongoing support.

Diamond drill rig



Rocklands

group of projects

EPM13049

Second visit by Chinese Group

The Chinese non-ferrous groups technical personnel and consultants visited the Rocklands Copper Project for a second time from 12-14 August.

CuDeco's Chairman Mr Wayne McCrae, met with the Group's Chairman in Hong Kong following this visit later in August for further discussions.



Visitors at the entry to Rocklands

These discussions are still preliminary at this stage. The Company is not seeking any JV partners or deals on Rocklands in the immediate future...and not until the size of the deposit has been completely evaluated.

Whilst in Hong Kong Mr McCrae also met with various International Funds, Brokers and Investment Groups to whom he introduced CuDeco. Discussions with the Investment Groups have been warmly received, with one International Broking and Investment



Diamond core trays

Group offering to promote an introductory roadshow to 40 of their European Investment Funds and clients.

Due to the warm reception in Hong Kong and the very positive outlook for copper prices in the immediate term, the Company may consider a future Hong Kong/Australian dual listing.

Future Developments

With the imminent completion of close spaced shallow drilling (to 200m depth), within the Las Minerale central zone and subsequent release of an Interim JORC statement, the Company will be able to progress its stage 1 development plans.

The release of the interim JORC will underscore the Company's immediate path to production, providing an essential component for use in the progression of comprehensive scoping/mining/feasibility studies, as well as facilitate early site/infrastructure considerations, in preparation of a final decision to mine based on the results of full bankable feasibility study.

Importantly, the freeing up of rigs otherwise engaged in the previous high priority but time intensive infill drilling process of Las Minerale Central, in conjunction with the expected arrival of at least 2 more drill rigs on site, should result in a more expedited



Diamond drill core...solid native copper

RC drill rig, crew and sample bags

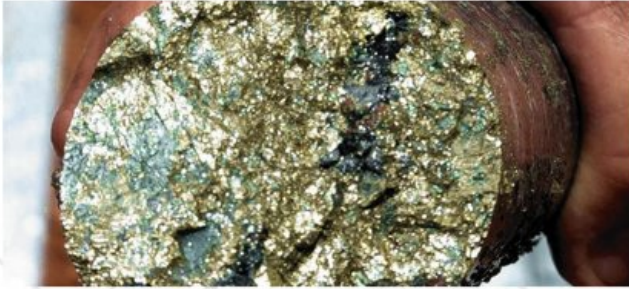


Rocklands

group of projects

EPM13049

process of general delineation and upgrading of numerous other identified resources, along with the ongoing delineation and upgrading of the Las Minerale resource.



Diamond drill core...Chalcopyrite (copper sulphides)

In particular, our focus can return to the Las Minerale Southern Extension, where relatively few holes have been drilled to date and significant mineralisation, as defined from previous drilling, is expected to be encountered.

We will also be able to engage in a more detailed assessment of the 500-1,000m wide shear zones coincident with both the Las Minerale and Rocklands South resources, where the previous identification of multiple zones of mineralisation, as yet not fully explored, holds great promise as part of an apparent merging of the individual mineralised zones into a single larger resource.



RC drill crew and support team



RC rig and crew

It has also been something of a coming of age for the company, with entry gained into the Standard & Poor's ASX 300 index and considerable market interest continuing to be shown from various sources.

Clearly we have seen a period of considerable transition and as can be expected during such times, we have met with our fair share of challenges.

All this aside, I firmly believe the Rocklands Group of Projects will emerge as one of the truly big copper

Summary

It has been an incredibly exciting year for the Company, the main driver of which has been the ongoing development of an emerging world class Rocklands Group of Projects, the centrepiece of which remains the Las Minerale copper resource.

RC drill chips bagged and waiting



Rocklands

group of projects

EPM13049



Diamond drill

finds of the century. In addition, based on geophysical data researched to date, we also have the likelihood of a major uranium and associated minerals discovery in the South West and yet undrilled region of the tenement, the significance of which should not be underestimated.

It is our intention to fully explore every target on the EPM, whilst concurrently bringing our Copper Project into production as quickly as possible. Subject to timetable indications from the Bankable Feasibility Study, our aim is to be nearing first production of copper concentrate within approx 18 months.

On the exploration front and further to previous finds (all of which remain open), we have numerous targets with individual widths of between 500m to 1,000m, with one anomaly over several kilometres long, all of which have been identified by geological and geochemical indicators including Sub Audio Magnetics (SAM), Airborne Magnetics, Induced Polarization (IP) and Geophysical Surveys, none of which have yet seen a single drill hole.

As we go to press, our geological team are analysing the significance of results from recent IP surveys, with numerous and significant zones of interest uncovered across the tenement, including a very significant zone deep beneath the interpreted Las Minerale South Extension, the highest point of which appears to be some 80m below and offset to the deepest hole drilled in that location. We also have another significant IP target coincident with the previously mentioned large radiometric anomaly...again, in an area which has yet to see any drilling.

In terms of quantifying a resource, the entire Rocklands Group Project is still in its infancy...the project literally gets bigger by the day.

In the meantime, we are progressing with initial plans for a multi-layer production route, with stage-1 of the process focused on a 3Mtpa start-up mining operation expected to provide the Company with considerable surplus cash flow, to the extent future exploration and development plans can be fully self funded, and ultimately, the Company can provide shareholders with a maiden dividend.

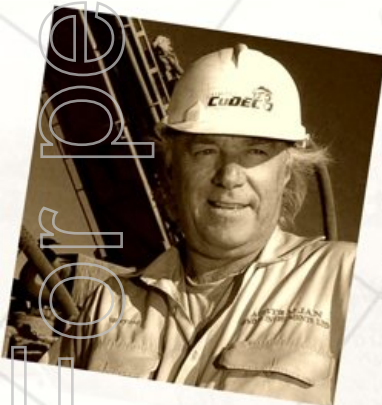
In over 35 years of hands-on exploration and mining experience, a considerable part of which has been spent in the Cloncurry region and more recently, some 300 days per year specifically engaged on the Rocklands site, I can safely say this is the most exciting piece of dirt I have ever laid my hands on.

The Rocklands Group of Projects is of a calibre rarely seen these days.

It was always the dream of Tim and I to find the "big one". It saddens me greatly therefore that after finally doing so, Tim has passed away long before we were able to uncover exactly how big.

Tim's legacy will be the Rocklands Project...I do not intend to let him down.

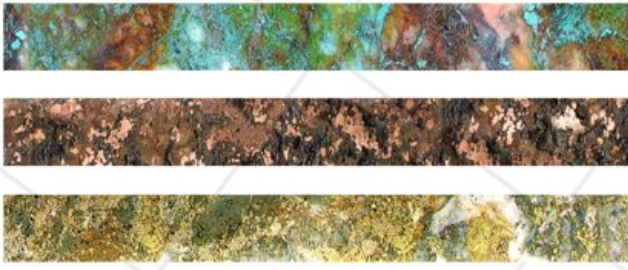
W McCrae
Chairman



Diamond drill with copper filings evident in wash-back



For personal use only



Contents

Section 1

Corporate Directory...page 03
Chairman's Report...pages 04-39

Section 2

Review of Operations...pages 41-46
Directors' Report...pages 47-55
Income Statement...page 56
Balance Sheet...page 57
Statement of Changes in Equity...pages 58-59
Cash Flow Statement...page 60
Notes to the Financial Statements...pages 61-81
Directors' Declaration...page 82
Independent Audit Report...pages 83-84
Corporate Governance Statement...pages 85-87
Additional Shareholder Information...pages 88-89

Section 3

Reference images

1. Typical ore body section...page 91
2. Geophysics - Conductivity...page 92
3. Geophysics - Magnetics...page 93
4. Geophysics - Radiometrics...page 94
5. Geophysics - Induced Polarisation (IP)...page 95-96



Review of Operations

Highlights

- Significant levels of discovery and delineation drilling completed along the Las Minerale resource zone.
- Over 350 holes representing >50,000 metres (down hole) drilling over the Rocklands lease completed and analysed.
- Four main ore zones of significance have now been identified; Las Minerale, Rocklands, Le Meridian and Rocklands South and their extent remains to be tested.
- Additional anomalies identified for future targeted drilling campaigns via the numerous geophysical surveys undertaken.
- Exploration site facilities at Fairfield significantly expanded to cope with increased drilling activity.
- Advanced stages of negotiation have been reached with indigenous groups for Native Title agreement for the Rocklands lease.
- The majority of environmental background studies have been completed.
- Metallurgical testwork has commenced with encouraging early results, and preliminary site engineering studies have commenced.
- Tenders are being called for a Project Feasibility Study to bankable standard.
- The Mt Norma mining and process operations and a number of non-core leases have been sold to Queensland Mining Corporation Ltd for a cash/share consideration of \$7.925M to enable exclusive focus on the Rocklands Project.

In summary, the past year has been one dominated by the consolidation of the Company's previous discoveries, in particular the infill drilling and expansion of Las Minerale and Rocklands South discoveries, notwithstanding however, new discoveries were made at Le Meridian and Rocklands South Extension. The employment of advanced geophysical surveying has identified numerous anomalies which will be the target of future drilling.

All aspects of the year's drilling campaign have been highly successful and the value of the Rocklands Copper Project to shareholders continues to grow via;

1. Increasing data and information required for determining inferred and measured resource categories;
2. Upgrading of previous "target resource" categories;
3. Extensions to known mineralised zones;
4. Discovery of new mineralised zones, and
5. The identification of numerous additional exploration targets.

Rocklands Copper Project – Exploration

Exploration Drilling

Following the discovery of the Las Minerale orebody just prior to the start of this financial year, an intensive drilling programme has been undertaken with the view to delineating this orebody. Five drills comprising two Reverse Circulation (RC) and two Diamond drill rigs (employed principally for infill drilling), have been supported by an extensive bedrock drilling programme over most of the lease using a Rotary Air Blast (RAB) drill rig. One of the RC rigs was purchased by the Company to ensure dedication of rigs to the project.

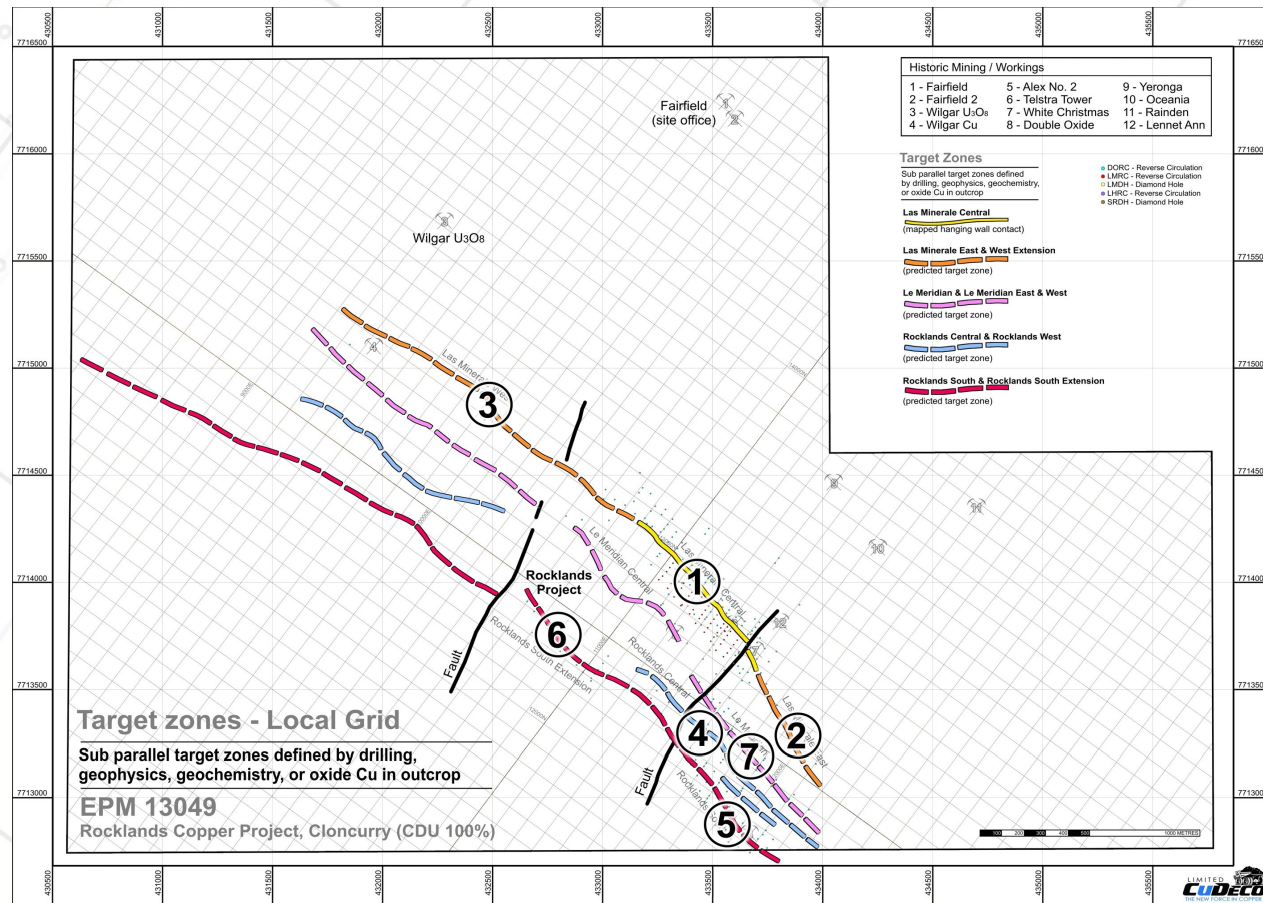
During the year to 30th June approximately 38,000 metres (down hole) have been drilled in 250 holes, which to date represents a total of >50,000 metres that have been drilled in 356 holes on EPM 13409 by CuDeco and a further ~5,000 metres in 60 holes by others.

Also completed during the year was bedrock geochem drilling comprising approximately 1,300 holes, and a multi-metal-ion (MMI) soil sampling programme over large areas of the lease.

All information and results from the Company's drilling programme is input into a secure independently managed data base which is updated and verified regularly.

Review of Operations (continued)

Extensions to the four main zones of Las Minerale, Rocklands, Le Meridian and Rocklands South continue to be tested and the subsequent strike length of each zone continues to grow with continued drilling. Initial targets to be tested or extended are depicted in the following image:



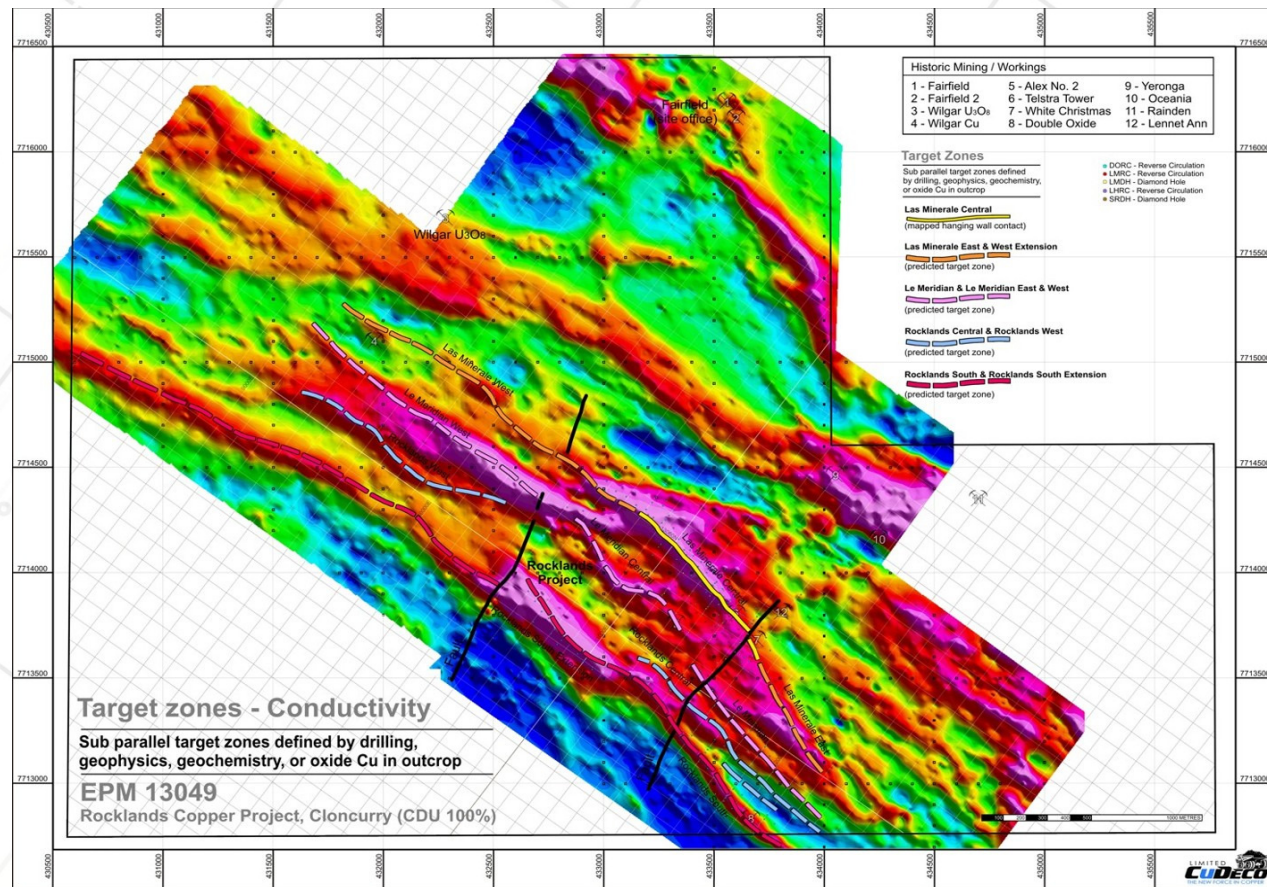
1. Las Minerale Central
2. Las Minerale South Extension
3. Las Minerale North Extension
4. Rocklands Central
5. Rocklands South
6. Rocklands South Extension
7. Le Meridian

Las Minerale Central

The strike length of the Las Minerale trend was extended to approximately 1,500m, with continuous drilling on a 25m x 50m grid system within the central 800m zone, and at larger spacing further along strike both to the North and South for the purpose of trend confirmation and geological comprehension. Closer spaced drilling in the future is planned to upgrade the estimates of this resource.

Once the full extent of the northern strike zone of breccia host, as identified by the Sub Audio Magnetic Survey (see below) is completed, drilling will be directed towards the continued testing of the south-east strike extension of Las Minerale.

Review of Operations (continued)

**Las Minerale South Extension**

Drilling was diverted from initial mineralised discovery holes in this location during the year, in preference for chasing the northern extension and ongoing concentrated efforts on infill drilling of the Las Minerale Central zone.

The Las Minerale South Extension remains open and relatively un-drilled to date and remains an immediate focus of the Company.

Las Minerale North Extension

The main Las Minerale north-west trend appears to have become less contiguous coincident with an interpreted east-west trending fault; however drilling continues to provide the occasional, apparently random high-grade wide intersections, suggesting continuity is likely.

The Las Minerale North Extension will require more detailed drilling and geological assessment and this will be revisited when additional geophysical survey data becomes available.

Rocklands Central

Reconnaissance drilling during the year indicated the likelihood of an expanded Rocklands Central footprint, which remains a target of interest because significant mineralisation here would have an extremely positive impact on the economics of future mining plans.

The Rocklands Central zone consists of a number of subordinate parallel shears striking 310° with coincident geochemical and geophysical anomalies which can be traced up to 2,000m and which represent a significant resource target.

During the year the Rocklands Central Zone was tested over a strike length of 800m and the Directors are confident that geological evidence supported by drilling, indicates the likely presence of significant copper mineralization. The main shear at Rocklands Central and Rocklands South is traceable over 1,500 to 2,000m and inclusive with Las Minerale, represents a suite of 5 shears over an area 1,000m wide.

Review of Operations (continued)

As more drill rigs become available an intense drilling program will be implemented at Rocklands Central with the objective to further define and link, where possible, these mineralized zones over the apparent 1,000m wide shear zone, with the view of establishing the scope for a single combined resource.

Rocklands South

Over 67 RC Drill holes had previously been drilled on Southern Rocklands by CuDeco and 37 holes drilled by others along an 850 m strike length. A new diamond drilling program commenced towards the end of the year with a planned total 36 hole program to test below 200m.

Rocklands South Extension

The Southern Rocklands Extension discovery was identified by the SAM Geophysical Survey conducted early in the year. RC Drilling along a 500m strike length at 50m intervals confirmed continuous Cu, Co, Au mineralization from near surface. A follow up drill program is planned to upgrade this zone into a resource category with the availability of new drill rigs.

Subtle outcrop of the breccia host continues from the most northern drill hole on Southern Rocklands Extension for a further 800m north west to a prominent 50m high outcrop to the north.

Le Meridian

The Le Meridian prospect was discovered between, and striking parallel to Rocklands Central and Las Minerale by 20 RC Drill Holes drilled at 50m to 100m spacing along a 1,000m mineralized strike length. The zone is also identified by numerous old workings, shafts and pits with malachite outcropping and staining and is visually identifiable on the surface for most of the 1,000 m strike.

Le Meridian is still open to the north-west along strike and at depth. A diamond drill programme is ongoing with visible copper mineralization identified in subsequent holes.

Geophysical Surveys

Over the year the Company completed numerous geophysical surveys, including Sub Audio Magnetics (SAM), Airborne Aeromagnetic / Radiometric (AM/RAD) surveys, hand held scintillometer and at the end of the year was preparing for an extensive Induced Polarisation (IP) survey.

The geophysical reports have been communicated to the market and drilling results to date have shown a degree of consistency of correlation with SAM.

Quality Control and Quality Assurance (QA/QC) Issues

The Company commissioned an independent review of all QA/QC procedures on site and a number of recommendations for maintaining and improving the system were made and have been, or are in the process of being implemented.

Laboratory Assay Procedures

During the year the Company further enhanced the accuracy of reporting by developing, in conjunction with the laboratory used for Rocklands assay work, SGS Australia Pty Ltd (Townsville), a series of analytical suites to be used on differing mineralisation and rock types found within the EPM.

Rocklands Copper Project - Project Feasibility

The Directors believe that the extent of drilling and degree of mineralisation is sufficient to provide the confidence to embark upon a feasibility study of bankable standard. Consequently, environmental background studies, native title negotiations, preliminary engineering studies and metallurgical testwork commenced during the year, and in the latter part of the year the Company commenced calling tenders to undertake the Feasibility Study.

Review of Operations (continued)

Environmental Studies

The Company will prepare an Environmental Impact Statement (EIS) as part of its Feasibility Study. During the year the Company engaged Australasian Resource Consultants Pty Ltd (AARC) to commence environmental (background) studies which will form part of the EIS, but which also can delay the production of an EIS if not undertaken in good time. A significant proportion of these studies, flora, fauna, land and soil, stream sediment analysis, and social impact are now completed or in the process of being completed.

The Environment Protection Agency (EPA) has issued the Terms of Reference for the EIS.

Mining Lease

A Mining Lease to encompass the entire EPM13049 has been applied for during the year.

Native Title and Cultural Heritage

Native Title negotiations commenced during the year with the two indigenous groups that have an interest in the land covered by the EPM. A number of meetings with the groups have been held and a draft agreement has been produced for discussion. The lease has been cleared by both groups of any areas of significant cultural interest.

A cultural Heritage Management Plan, required as part of the EIS process is embodied in the draft native title agreement.

Metallurgical Testing

A metallurgical test programme commenced during the year with the undertaking of a Mineral Liberation Analysis of the principal ore types present in the mineralised zones. Two significant factors emerged from this testing, in that the crystal sizes of the primary and secondary copper minerals, chalcopyrite (copper-iron sulphide) and chalcocite (copper sulphide) are comparatively large and they are not associated in any complex mineral structure. This means that the degree of grinding necessary for liberation of these minerals will be lower than normally encountered.

Testing of the supergene zones showed that native copper, present in a number of significant zones, is principally coarse nugget-size and should be able to be separated by simple gravity techniques. Testing to date confirms this.

Comminution (crushing and grinding) testwork also commenced and is due to be completed in the first quarter of the next year.

Quotations for Flotation testwork were received during the year and samples are being collected ready for commencement early in the first quarter of next year.

Engineering Studies

An important aspect of project development is to have an early understanding of infrastructure and site logistics related to the site. The Company engaged a local engineering company to investigate issues related to energy and water supply, access roads, and site layout issues, both with the developing exploration complex and the proposed mining and process operations.

Negotiations with supply authorities have commenced and preliminary footprints of mining and process facilities have been prepared to provide some relative values of scale on the site.

Rocklands Laboratory

A new demountable laboratory was delivered to the exploration complex site at Fairfield late in the year, and is in the process of being fitted out ready for operation. This facility will be used to assist the geology team and to undertake analyses for the proposed sterilisation programme, required to identify potential areas for location of the processing plant, waste-rock dumps, tailings dams etc.

Review of Operations (continued)

Rocklands Uranium Project

In April 2007 the Company carried out reconnaissance ground radiometric surveying and rock chip sampling at the Wilgar North Prospect. Exploration results have confirmed the prospect's excellent potential to host uranium mineralization.

Calcareous rocks outcrop in the area of high radiometric counts. Rock chip sampling returned highly anomalous uranium values. 14 of 16 samples returned greater than 200 ppm uranium with two samples up to 6300 ppm and 5.3% uranium. Thin veins of the primary uranium mineral uraninite (pitchblende) occur in the quartz carbonate rock. Oxidation has produced fracture coatings of minor secondary yellow and green uranium minerals. Copper is evident as minor malachite. High lead and silver are also present in the rock chip samples.

Uraninite rock specimens have been identified and radiation counts ranging between 500 and 5,000 counts per second recorded during the bedrock drilling programme in and near old costeans in the area.

Although the grades are high and encouraging Wilgar Uranium is not a priority prospect for the Company in the immediate future. However, a more detailed exploration programme with the likelihood of a limited diamond drill program is expected to be carried out in the next year.

Mt Norma Copper Sulphate Project

In March 2007, CuDeco entered into a conditional agreement for the sale of the Mt Norma Copper Sulphate business and other non-core mineral leases, to Queensland Mining Corporation Pty Ltd (QMC), for consideration of \$7.925 million by way of shares and cash. Settlement was announced on 18th June, 2007.

Following the sale of Mt Norma on 16th March, 2007, the operations have been maintained by CuDeco in a caretaker role, with the Company providing handover assistance agreed for a period of 3 months following settlement in mid-June. The Company also provided machinery on a hire basis to allow mining and leach vat construction to continue.

Assistance was provided for mining, construction of a 175,000 tonne leach vat and major maintenance and upgrade work to the copper sulphate processing facility.

It is expected that CuDeco shareholders will be invited to participate in the IPO of QMC through a priority allocation of shares.

The Mt Norma operations contributed revenue to CuDeco from the sale of 507,200kg of copper sulphate pentahydrate.

The Company still intends to pursue the claim for significant damages caused by the introduction of substituted sub-standard kerosene into its process following a delivery received in late 2004.

DIRECTORS' REPORT (continued)

The directors present their report together with the financial report of CuDeco Limited (the "Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2007 and the auditors' report thereon. CuDeco Limited is a listed public company incorporated in and domiciled in Australia.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Wayne Michael McCrae
Executive Chairman
(Director since 2002)

Wayne McCrae (59 years) has been involved in the mining industry for most of his adult life. Wayne's experience is bringing grass roots operations to production, and he has been involved with exploration for and / or production of gold, copper, silver, lead and zinc, coal and diamonds.

Timothy Francis Koitka
Executive Director

(Ceased to be a director
22 August 2007)

Tim Koitka (56 years) commenced his career in the mining industry with Mt Isa Mines aged 15 years and had been involved in mineral production, treatment, construction and management since then. Tim had skills in underground and open cut mining for gold, copper and silver, particularly in the Cloncurry and Mt Isa regions. Tim passed away on 22 August 2007.

Peter Robert Hutchison
MRACI Ch Chem
Executive Director
(Director since 2004)

Peter Hutchison (58 years) is a process chemist with over 35 years industry experience involving the chemical, mineral processing and water treatment businesses. He assisted in the development of the Mt Norma project and is responsible for the process upgrade and managing the process operation.

William Douglas Cash
Non-Executive Director

(Appointed 27 July 2007)

William (Bill) Cash (61 years) has wide experience in base metals and concentrates sales and marketing, shipping and logistics, product handling, sales contract administration, feasibility studies, development of marketing strategies for new mining projects, particularly in the copper, zinc and lead metal and concentrate businesses. He was previously with MIM Holdings for over 20 years. Mr Cash is a non-executive director of AIM Resources Ltd.

Vitie Paul Keran
B.App.Sc., B.E.
(Chemical), Dip. B.A.
Non-Executive Director

(Appointed 2 July 2007)

Paul Keran (64 years) is a chemical engineer with more than 30 years experience in the resource sector in Australia and internationally, in senior operations management and project development roles in base metals mineral processing, smelting and technology development. He was previously with MIM Holdings as General Manager - Group Metallurgical Development and Metallurgical Works Manager at Mt Isa. He also completed technical assessment and development of the US \$1 billion Alumbrera copper/gold project in Argentina.

None of the Company's directors have held office as directors of other public listed companies in the three year period ended 30 June 2007 (except as disclosed above).

COMPANY SECRETARY

Lisa Sharon Rowe
(Appointed 04/05/2004)

Lisa Rowe is a certified practicing accountant with over 10 year's experience. Mrs Rowe has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles.

DIRECTORS' REPORT (continued)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were production of copper sulphate, mineral exploration and development of environmental technologies.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2007 was \$23,006,055 (30 June 2006: \$1,315,271). No dividends were paid during the year and the directors do not recommend payment of a dividend.

REVIEW OF OPERATIONS

A review of operations of the consolidated entity during the year ended 30 June 2007 and the results of those operations is set out on pages 41 to 46 and forms part of this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the consolidated entity occurred during the year:

- At a meeting held on 12 July 2006 shareholders approved a change in the Company's name from Australian Mining Investments Ltd to CuDeco Ltd.
- During the year to 30 June 2007, the Company received \$12,445,642 as subscription monies for the conversion of listed options and unlisted employee options into ordinary shares.
- During the year to 30 June 2007, the Company issued 2,256,250 shares for redemption of all 451,250 convertible notes and the convertible note debt has been retired.
- In March 2007, the Company announced that it had entered into an agreement for the sale of the Mt Norma Copper Sulphate business and other non core mineral leases for consideration of \$7.925 million. Settlement occurred at the end of June 2007.
- In June 2007 the Company issued 2,186,222 shares at an issue price of \$3.18 each pursuant to a Share Purchase Plan announced on 11 May 2007. The funds raised will be used for continuing exploration at the highly prospective Rocklands Group Copper Project.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following significant events have occurred after the balance date:

- (a) Since 1 July 2007, 1,210,297 options exercisable at \$0.20 on or before 30 June 2008 have been converted to shares raising approximately \$242,000.
- (b) In July 2007 the Company issued 8,235,885 shares at an issue price of \$3.18 to clients of specialist institutional broking house, Lodge Partners and clients of Martin Place Securities Pty Ltd raising \$26,190,114. The funds will be used to aggressively advance the Company's Rocklands Copper Group project, including continued drilling, engineering studies, metallurgical studies and other infrastructure development expenditure.

Except for the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' REPORT (continued)**LIKELY DEVELOPMENTS**

The Company will continue exploration on its Rocklands Group Copper Project. Further commentary on likely developments over the forthcoming year is provided in the "Review of Operations".

DIRECTORS' MEETINGS

The number of meetings of the Company's directors and the number of meetings attended by each director during the year ended 30 June 2007 are:

	Number of meetings attended during period of office	Number of meetings held during period of office
W McCrae	14	14
T Koitka (ceased 22 August 2007)	14	14
P Hutchison	14	14
P Keran (appointed 2 July 2007)	-	-
W Cash (appointed 27 July 2007)	-	-

There were 14 directors' meetings held during the year. However, matters of board business have also been resolved by circular resolutions of directors, which are a record of decisions made at a number of informal meetings of the directors.

The Company did not have an audit committee up to 30 June 2007, as in the opinion of the Directors, the scope and size of the Company's operations did not warrant it. However, as CuDeco Ltd is now included in the S & P, ASX 300 All Ordinaries Index, an audit committee was established on 5 September 2007.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, options or other instruments issued by companies within the consolidated entity and other related body corporates, as notified by the directors to the ASX Ltd in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	CuDeco Limited	
	Fully Paid ordinary shares	Options over ordinary shares
W McCrae	9,211,956	3,006,091
T Koitka (ceased 22 August 2007)	1,384,455	200,000
P Hutchison	14,034	1,000,000
P Keran (appointed 2 July 2007)	41,500	-
W Cash (appointed 27 July 2007)	20,000	-

SHARE OPTIONS

As at the date of this report, there were 25,361,543 unissued ordinary shares under option.

	Number	Exercise Price	Expiry Date
Listed Options	20,311,543	\$0.20	30 June 2008
Directors Unlisted Options	4,000,000	\$0.50	30 June 2008
Consultant Unlisted Options	250,000	\$4.50	1 March 2008
Consultant Unlisted Options	250,000	\$5.50	1 June 2008
Consultant Unlisted Options	200,000	\$5.50	30 June 2008
Consultant Unlisted Options	100,000	\$3.29	15 August 2010
Consultant Unlisted Options	250,000	\$6.50	1 September 2008

During or since the end of the financial year 7,353,810 CDUOA \$1 options and 20,784,455 CDUO \$0.20 options were exercised. 850,000 employee options and 2,000,000 director's options were also exercised.

DIRECTORS' REPORT (continued)

SHARE OPTIONS (continued)

Options issued during the year are as follows:

- 1,000,000 options were issued as consideration for capital raising services provided in February 2006. The options are exercisable at 20 cents each on or before 30 June 2008.
- 6,000,000 options to subscribe for ordinary shares were allotted to the Directors as approved by shareholders at a General Meeting held on 16 October 2006. The unquoted options are exercisable at 50 cents each on or before 30 June 2008. The options were allotted as follows: Mr W. McCrae - 3,000,000 options, Mr T. Koitka - 2,000,000 options, Mr P. Hutchison - 1,000,000 options.
- 500,000 options to subscribe for ordinary shares were allotted to a consultant of the Company pursuant to a consultancy agreement. 250,000 of these unquoted options are exercisable at \$4.50 on or before 1 March 2008 and the balance is exercisable at \$5.50 on or before 1 June 2008.

Options issued after the year end and up to the date of this report are as follows:

- 200,000 options to subscribe for ordinary shares were allotted to a consultant of the Company pursuant to a consultancy agreement in July 2007. These unquoted options are exercisable at \$5.50 each on or before 30 June 2008.
- 100,000 options to subscribe for ordinary shares were allotted to a consultant of the Company pursuant to a consultancy agreement in August 2007. These unquoted options have an exercise period between 15 February 2008 and 15 August 2010 and are exercisable at \$3.29 each.
- 250,000 options to subscribe for ordinary shares were allotted to a consultant of the Company pursuant to a consultancy agreement in September 2007. These unquoted options are exercisable at \$6.50 each on or before 1 September 2008.

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for the directors of CuDeco Limited. Other than the Directors, there are no other key management personnel of the consolidated entity. The consolidated entity does not have any executive officers as defined under Section 300A of the Corporations Act 2001 (other than executives who are also directors). The remuneration report includes disclosures required by AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

Remuneration Philosophy

The Board is responsible for determining remuneration policies and packages applicable to the Board members of the Company. The Board remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Where necessary, independent advice on the appropriateness of remuneration packages is obtained.

Remuneration Committee

The Company does not have a formally constituted Remuneration committee of the Board. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee.

The Board assesses the appropriateness of the nature and amount of remuneration of directors on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (Continued)**Non-executive Director Remuneration****Objective**

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Board reviews the remuneration packages applicable to the non-executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

There were no non-executive directors during the year. However, two non-executive directors have been appointed since year end.

Executive Directors Remuneration**Objective**

The company aims to reward the Executive Directors with a level of remuneration commensurate with their position and responsibilities within the company and so as to:

- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable Remuneration

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of company, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice. Where necessary independent advice on the appropriateness of remuneration packages is obtained.

The fixed remuneration component of the Executive Directors for the year ended 30 June 2007 is detailed in Table 1 of this report.

Variable Remuneration – Long Term Incentive (LTI)**Objective**

The objective of the LTI plan is to reward executive directors in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executive directors who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

DIRECTORS' REPORT (continued)**REMUNERATION REPORT (Continued)****Structure**

LTI grants to executive directors are delivered in the form of options. The issue of options as part of the remuneration packages of directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the directors.

3,000,000, 2,000,000, and 1,000,000 options were granted to each of Messrs W M McCrae, T F Koitka and Mr P R Hutchison (respectively) during the year as part of their remuneration. The options granted to the directors during the year are in recognition of the past services rendered by the directors and as an incentive for future services. The options recognise the efforts in generating new projects, particularly the Rocklands Group Copper Project, and the significant exploration efforts that have been made by the Company on that Project, since its acquisition in November 2005. The grant of the options is commensurate with the very substantial increase in shareholder wealth (as measured by market capitalisation) since the initial acquisition of the Rocklands Project.

Employment Contracts

The Directors do not have any employment contracts in place.

Table 1: Director Remuneration for the year ended 30 June 2007

Director		Primary Salary / Fees \$	Post Employment Superannuation \$	Equity Value of Options (A) \$	Total \$
W McCrae	2007	82,500	7,425	10,530,000	10,619,925
	2006	65,000	5,850	-	70,850
T Koitka	2007	82,500	7,425	7,020,000	7,109,925
	2006	65,000	5,850	6,800	77,650
P Hutchison	2007	82,500	7,425	3,510,000	3,599,925
	2006	65,000	5,850	6,800	77,650
T Pickett (resigned 29/07/2005)	2007	-	-	-	-
	2006	833	75	-	908
Total	2007	247,500	22,275	21,060,000	21,329,775
	2006	195,833	17,625	13,600	227,058

There were no key management personnel during the year other than the Directors.

Table 2 Options granted as part of remuneration for the year ended 30 June 2007 (in accordance with the LTI plan)

Directors	Grant date	Grant Number	Vesting date	Value per option at grant date (A)	% of Remuneration
W McCrae (i)	16 Oct 2006	3,000,000	16 Oct 2006	\$3.51	99.2%
T Koitka (i)	16 Oct 2006	2,000,000	16 Oct 2006	\$3.51	98.7%
P Hutchison (i)	16 Oct 2006	1,000,000	16 Oct 2006	\$3.51	97.5%

(A) Each option was valued at \$3.51 being the value of the options at the date of grant using a Black-Scholes model. The options vested immediately. Other factors and assumptions taken into account in determining the fair value of the options allocated to this reporting period include, price of shares on grant date \$3.89, volatility 121% and risk free interest rate 6%.

(i) The Options issued to the Directors during the financial year are exercisable at 50 cents each on or before 30 June 2008. These options were allotted on 16 November 2006, following shareholder approval at a general meeting held on 16 October 2006.

DIRECTORS' REPORT (continued)

ENVIRONMENTAL REGULATION

There are significant regulations under the environmental and mining laws and regulations of Queensland that apply to the exploration and mining tenements the Company holds in that State, including license requirements relating to ground disturbance, rehabilitation and waste disposal.

The Directors believe that the Company has adequate systems in place for management of its environmental requirements in relation to all its tenement holdings and are not aware of any significant breaches of these environmental requirements during the period covered by this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. Subsequent to the end of the year, directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to \$19,388 relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the shareholder information section of this annual report.

NON AUDIT SERVICES

The following non-audit services were provided by our auditors, BDO Kendalls. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

\$19,130 for the provision of tax services.

DIRECTORS' REPORT (continued)

AUDITORS' INDEPENDENCE DECLARATION

The auditor, BDO Kendalls, has provided the Board of Directors with an independence declaration in accordance with section 307C of the Corporations Act 2001.

The independence declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors



W McCrae
Chairman

Cloncurry, 28 September 2007

For personal use only



DECLARATION OF INDEPENDENCE BY ANTHONY WHYTE TO THE DIRECTORS OF CUDECO LIMITED

To the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

BDO Kendalls (QLD)

A J Whyte
Partner

Brisbane
28 September 2007

Consolidated Income Statement for the year ended 30 June 2007

	Notes	Consolidated 2007	2006	Company 2007	2006
		\$	\$	\$	\$
Revenues	2	432,338	55,319	432,338	55,319
Expenses					
Repairs and maintenance mining equipment		(183,078)	(80,745)	(183,078)	(80,745)
Motor vehicle expenses		(131,488)	(44,397)	(131,488)	(44,397)
Depreciation expense	3(b)	(194,464)	(121,554)	(194,464)	(121,554)
Employee and consultant expenses	3(b)	(22,011,409)	(444,181)	(22,011,409)	(444,181)
Shareholder expenses		(259,816)	(63,969)	(259,816)	(63,969)
Borrowing cost expense		(166,434)	(347,709)	(166,434)	(347,709)
Occupancy expenses		(201,689)	(88,554)	(201,689)	(88,554)
Provision against security deposit		-	(20,000)	-	(20,000)
Write back provision against intercompany loans		-	-	-	8,116
Travel		(84,401)	(30,716)	(84,401)	(30,716)
Other		(102,667)	(52,032)	(104,668)	(51,470)
Expenses		(23,335,446)	(1,293,857)	(22,337,447)	(1,285,179)
Loss from continuing operations before income tax benefit	3	(22,903,108)	(1,238,538)	(22,905,109)	(1,229,860)
Income tax benefit	5	-	-	-	-
Loss from continuing operations after income tax		(22,903,108)	(1,238,538)	(22,905,109)	(1,229,860)
Discontinued operations					
Loss from discontinued operations after income tax	25	(104,464)	(77,989)	(89,448)	(67,854)
Net loss attributable to minority interests		1,517	1,256	-	-
Net loss attributable to members of the Company		(23,006,055)	(1,315,271)	(22,994,557)	(1,297,714)
		Cents	Cents		
Earnings per share:					
Basic and diluted loss per share	6	(30.34)	(2.98)		
Continuing operations:					
Basic and diluted loss per share	6	(30.20)	(2.81)		

The above financial statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet as at 30 June 2007

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalent assets	8	13,417,716	587,008	13,417,716	585,593
Trade and other receivables	9	643,394	149,086	643,394	149,086
Inventories	10	31,350	707,985	31,350	707,985
TOTAL CURRENT ASSETS		14,092,460	1,444,079	14,092,460	1,442,664
NON-CURRENT ASSETS					
Cash and cash equivalent assets	8	-	471,267	-	471,267
Trade and other receivables	9	8,355	35,400	8,355	65,247
Inventories	10	-	1,257,300	-	1,257,300
Other financial investments	11	-	-	1	1,963,943
Available for sale financial assets	12	5,750,000	-	5,750,000	-
Property, plant and equipment	13	1,076,096	3,189,413	1,076,096	3,189,413
Exploration expenditure	14	6,865,571	4,057,316	6,865,571	1,443,380
TOTAL NON-CURRENT ASSETS		13,700,022	9,010,696	13,700,023	8,390,550
TOTAL ASSETS		27,792,482	10,454,775	27,792,483	9,833,214
CURRENT LIABILITIES					
Trade and other payables	15	1,052,945	975,770	1,052,945	973,220
TOTAL CURRENT LIABILITIES		1,052,945	975,770	1,052,945	973,220
NON-CURRENT LIABILITIES					
Interest bearing liability	16	-	1,805,000	-	1,805,000
TOTAL NON-CURRENT LIABILITIES		-	1,805,000	-	1,805,000
TOTAL LIABILITIES		1,052,945	2,780,770	1,052,945	2,778,220
NET ASSETS		26,739,537	7,674,005	26,739,538	7,054,994
EQUITY					
Contributed equity	17	57,188,642	28,903,089	57,188,642	28,903,089
Reserves	19	35,745,247	21,351,699	35,745,247	21,351,699
Accumulated losses		(66,194,352)	(43,228,772)	(66,194,351)	(43,199,794)
Total parent entity interest		26,739,537	7,026,016	26,739,538	7,054,994
Minority interests	20	-	647,989	-	-
TOTAL EQUITY		26,739,537	7,674,005	26,739,538	7,054,994

The above financial statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2007

CONSOLIDATED	Issued Capital	Accumulated Losses	Option Premium Reserve	Other Reserves	Minority Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2005	25,791,110	(41,913,501)	20,244,705	527,114	649,245	5,298,673
Share / option issue expenses	(301,377)	-	(10,573)	-	-	(311,950)
Loss attributable to members of the parent entity	-	(1,315,271)	-	-	-	(1,315,271)
Loss attributable to the minority interest	-	-	-	-	(1,256)	(1,256)
Total income and expense for the period	(301,377)	(1,315,271)	(10,573)	-	(1,256)	(1,628,477)
Shares / options issued during the year	3,413,356	-	537,901	-	-	3,951,257
Cost of share based payments	-	-	52,552	-	-	52,552
Balance at 30 June 2006	28,903,089	(43,228,772)	20,824,585	527,114	647,989	7,674,005
Balance at 1 July 2006	28,903,089	(43,228,772)	20,824,585	527,114	647,989	7,674,005
Share / option issue expenses	(8,324)	-	-	-	-	(8,324)
Loss attributable to members of the parent entity	-	(23,006,055)	-	-	-	(23,006,055)
Adjustment of prior year losses on disposal of subsidiaries	-	40,475	-	-	-	40,475
Loss attributable to the minority interest	-	-	-	-	(1,517)	(1,517)
Total income and expense for the period	(8,324)	(22,965,580)	-	-	(1,517)	(22,975,421)
Shares / options issued during the year	21,204,642	-	-	-	-	21,204,642
Transfer option premium on conversion of options	7,089,235	-	(7,089,235)	-	-	-
Cost of share based payments	-	-	21,482,783	-	-	21,482,783
Adjustment on loss of interest/control over subsidiaries	-	-	-	-	(646,472)	(646,472)
Balance at 30 June 2007	57,188,642	(66,194,352)	35,218,133	527,114	-	26,739,537

Statement of Changes in Equity for the year ended 30 June 2007

PARENT	Issued Capital	Accumulated Losses	Option Premium Reserve	Other Reserves	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2005	25,791,110	(41,902,080)	20,244,705	527,114	4,660,849
Share / option issue expenses	(301,377)	-	(10,573)	-	(311,950)
Loss after tax	-	(1,297,714)	-	-	(1,297,714)
Total income and expense for the period	(301,377)	(1,297,714)	(10,573)	-	(1,609,664)
Shares / options issued during the year	3,413,356	-	590,453	-	4,003,809
Balance at 30 June 2006	28,903,089	(43,199,794)	20,824,585	527,114	7,054,994
Balance at 1 July 2006	28,903,089	(43,199,794)	20,824,585	527,114	7,054,994
Share / option issue expenses	(8,324)	-	-	-	(8,324)
Loss after tax	-	(22,994,557)	-	-	(22,994,557)
Total income and expense for the period	(8,324)	(22,994,557)	-	-	(23,002,881)
Shares / options issued during the year	21,204,642	-	-	-	21,204,642
Transfer option premium on conversion of options	7,089,235	-	(7,089,235)	-	-
Cost of share based payments	-	-	21,482,783	-	21,482,783
Balance at 30 June 2007	57,188,642	(66,194,351)	35,218,133	527,114	26,739,538

Cash Flow Statement for the year ended 30 June 2007

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,102,293	908,798	2,102,293	908,798
Cash payments in the course of operations		(3,588,393)	(2,149,867)	(3,586,978)	(2,147,948)
Interest received		388,677	54,929	388,677	54,929
Research & development tax concession		-	438,284	-	438,284
Interest paid		(284,653)	(302,639)	(284,653)	(302,639)
NET CASH USED IN OPERATING ACTIVITIES	23	(1,382,076)	(1,050,495)	(1,380,661)	(1,048,576)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(1,085,592)	(754,101)	(1,085,592)	(754,101)
Payments for exploration and evaluation expenditure		(6,505,208)	(686,084)	(6,505,208)	(676,971)
Proceeds from sale of Mt Norma assets		2,175,000	-	2,175,000	-
Loans to controlled entities		-	-	-	(11,212)
Repayment of loans to controlled entities		-	-	-	8,116
Loan to other entity		(234,001)	(12,881)	(234,001)	(12,881)
Transfer funds (to) / from sinking & interest retention account		471,267	(180,500)	471,267	(180,500)
Increase in deposits		-	(5,775)	-	(5,775)
NET CASH USED IN INVESTING ACTIVITIES		(5,178,534)	(1,639,341)	(5,178,534)	(1,633,324)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and options		19,399,642	3,356,257	19,399,642	3,356,257
Prospectus, share and option issue costs		(8,324)	(171,950)	(8,324)	(171,950)
Proceeds from borrowings from director-related entity		-	270,000	-	270,000
Repayment of borrowings from director-related entity		-	(270,000)	-	(270,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		19,391,318	3,184,307	19,391,318	3,184,307
NET INCREASE / (DECREASE) IN CASH HELD		12,830,708	494,471	12,832,123	502,407
Cash at the beginning of the financial year		587,008	92,537	585,593	83,186
CASH AT THE END OF THE FINANCIAL YEAR	8	13,417,716	587,008	13,417,716	585,593

The above financial statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

CuDeco Limited is a listed public company, incorporated in and domiciled in Australia.

The financial report of CuDeco Limited (the "Company") for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 28 September 2007 and covers CuDeco Limited as an individual entity as well as the Company and its subsidiaries (together referred to as the "consolidated entity").

The financial report is presented in Australian currency.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes, comply with International Financial Reporting Standards (IFRS).

The financial report has also been prepared on a historical cost and going concern basis and, except where stated, does not take into account changing money values or fair values of non-current assets.

No new Australian Accounting Standards that have been issued but are not yet effective have been applied in the preparation of this financial report. Such standards are not expected to have a material impact on the consolidated entity's financial report on initial application.

The following accounting policies have been adopted in the preparation and presentation of the financial report.

These accounting policies have been consistently applied by each entity in the consolidated entity. Unless otherwise stated, these accounting policies are consistent with those of the previous year.

(b) Principles of Consolidation

The consolidated financial report comprises the financial statements of CuDeco Limited and its controlled entities.

A controlled entity is any entity controlled by CuDeco Limited whereby CuDeco Limited has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured. Revenue is recognised at the fair value of consideration received or receivable.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Grants received from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the consolidated entity will comply with all the attached conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(d) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes direct material, direct labour, transportation costs and variable and fixed overhead costs relating to mining and production activities.

Work in progress consists mainly of the ore in the vats. As the leaching process occurs over a period longer than 12 months, the carrying value of the ore in vats that is not expected to be realised in the coming 12 months is classified as non-current.

(f) Taxation

The income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CuDeco Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. CuDeco Ltd is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group.

(g) Receivables

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(h) Business Combinations

The purchase method of accounting is used to account for all business combinations. Costs is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

(j) Exploration and Evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(k) Research and Development Expenditure – Environmental Technology

Research costs are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the product or service is technically feasible, adequate resources are available to complete the project, it is probable that future economic benefits will be generated and expenditure attributable to the project can be measured reliably. The carrying value of development costs is reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired.

(l) Impairment of Assets

At each reporting date the consolidated entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing, value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(m) Property, Plant and Equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy impairment of assets).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Property, Plant and Equipment (continued)*****Depreciation and Amortisation***

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use, with the exception of exploration, evaluation and development costs in the production phase which is amortised on a units of production basis over the life of economically recoverable reserves. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads. The estimated useful lives used in the calculation of depreciation for plant and equipment is between five and ten years.

(n) Employee Benefits

The consolidated entity's liability for employee benefits arising from services rendered by employees to balance date are accrued. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(p) Contributed Equity

Ordinary shares issued are classified as contributed equity.

Options issued are recorded in the option premium reserve. This reserve is transferred to contributed equity if the options are exercised.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds.

(q) Share-Based Payments

The consolidated entity provides benefits to directors, employees and suppliers of the consolidated entity in the form of share-based payment transactions, whereby directors, employees and suppliers render services in exchange for options to purchase shares in the Company (equity-settled transactions).

There is currently an Employee Option Plan in place to provide these benefits to employees (excludes Directors).

The cost of these share-based payment transactions with directors and employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. Fair values at grant date are determined using a binomial option pricing model that takes into account the exercise price, the life of the option, the current price of the underlying instrument, the price volatility of the underlying instrument, the expected dividend yield and the risk-free rate for the life of the option.

The assessed fair value at grant date is recognised as an expense in the income statement, together with a corresponding increase in equity, pro rata over the life of the option from grant date to expected vesting date. Upon exercise of the options, the balance in the option premium reserve is transferred to contributed equity. No expense is recognised for awards that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Share-Based Payments (continued)**

Where options are cancelled, they are treated as if it had vested on the date of cancellation, and any unrecognised expenses are taken immediately to the income statement. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(r) Earnings per Share

- (i) *Basic Earnings per Share* - Basic earnings per share is determined by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the financial year
- (ii) *Diluted Earnings per Share* - Diluted earnings per share adjusts the figures used in the determination of basic earnings for the after tax effect of financing costs and the effect of conversion of ordinary shares associated with dilutive potential ordinary shares.

(s) Significant accounting judgments, estimates and assumptions

There have been no critical accounting estimates and other accounting judgements, in applying accounting policies that have a significant effect on the amounts recognised in this financial report, other than those disclosed elsewhere in this financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
2. REVENUE				
<i>From continuing operations</i>				
Interest – other parties	424,028	55,319	424,028	55,319
Equipment hire rental received	8,310	-	8,310	-
Total revenue from ordinary activities	<u>432,338</u>	<u>55,319</u>	<u>432,338</u>	<u>55,319</u>
<i>From discontinuing operations</i>				
Sales of copper sulphate	<u>1,169,846</u>	<u>854,649</u>	<u>1,169,846</u>	<u>854,649</u>
3. EXPENSES				
Loss from ordinary activities before income tax benefit has been arrived at after charging/(crediting) the following items:				
<i>For continuing operations</i>				
Depreciation of buildings	7,717	-	7,717	-
Depreciation of plant and equipment	186,747	121,554	186,747	121,554
Borrowing cost – interest paid on loan funds / convertible notes	166,434	347,709	166,434	347,709
Operating lease rental – director-related entity	143,833	48,000	143,833	48,000
Share based payment expense – employee remuneration	30,283	38,952	30,283	38,952
Share based payment expense – consulting fees	252,500	-	252,500	-
Share based payment expense – director remuneration	<u>21,060,000</u>	<u>13,600</u>	<u>21,060,000</u>	<u>13,600</u>
4. AUDITORS' REMUNERATION				
Amounts received or due and receivable by BDO Kendalls for the audit of the entity or any entity in the consolidated entity:				
- Auditing or reviewing the financial report	47,116	43,335	47,116	43,335
- Tax services	<u>19,130</u>	<u>13,430</u>	<u>19,130</u>	<u>13,430</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
5. INCOME TAX EXPENSE				
The prima facie income tax loss is reconciled to the income tax provided in the financial statements as follows:				
The prima facie income tax benefit (30%) on loss before income tax:	(6,902,271)	(394,958)	(6,887,338)	(389,315)
Tax effect of permanent differences	-	-	-	-
Other non-allowable items	6,395,955	-	6,395,955	-
Deferred tax liability not recognised	(848,209)	-	(848,209)	-
Deferred tax asset not brought to account				
- temporary difference	38,718	136,977	31,219	132,360
- tax losses	1,315,807	257,981	1,308,373	256,955
Income tax expense	-	-	-	-
Deferred tax asset reconciliation				
Temporary differences	(354,763)	257,981	488,335	256,955
Tax losses	2,993,382	1,677,575	2,985,949	1,677,575
	2,638,619	1,935,556	3,474,284	1,934,530
Accumulated tax losses not recognised due to lack of high probability	2,993,382	1,677,575	2,985,949	1,677,575
Deferred tax liability not recognised due to lack of high probability	2,064,971	1,216,762	2,064,971	1,216,762

The potential future income tax benefit will only be obtained if:

- (i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;
- (ii) the relevant company and / or consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the relevant company and / or consolidated entity in realising the benefit.

For the purposes of taxation, CuDeco Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group.

6. EARNINGS PER SHARE

	2007	2006
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	75,825,820	44,076,533

The Company has granted share options in respect of a total of 26,021,840 ordinary shares at 30 June 2007. Options are considered to be potential ordinary shares. However, as the Company is in a loss position they are anti-dilutive in nature, as their exercise will not result in diluted earnings per share that shows an inferior view of earnings performance of the Company than is shown by basic earnings per share. The options have not been included in the determination of basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

7. SEGMENT INFORMATION

The economic entity operated in the following industries during the financial year ended 30 June 2007:

- Mineral exploration: undertaking of mineral exploration and mine development in Australia.
- Production: the production of copper sulphate pentahydrate. The business comprising this segment was sold in June 2007.

	Mineral Exploration & Mine Development		Production (Discontinued)		Consolidated		Less Production (Discontinued)		Continuing Operations	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Business Segments										
Segment revenue					1,169,846	1,292,933	1,169,846	1,292,933	432,338	55,319
Other unallocated revenue			1,169,846	1,292,753	432,338	55,319	(1,169,846)	(1,292,933)	432,338	55,319
			1,602,184	1,348,252	1,602,184	1,348,252	(1,169,846)	(1,292,846)	432,338	55,319
Segment result					(431,426)	(271,286)	91,449	76,733	(328,479)	(194,553)
Unallocated expenses (net)	(328,479)	(194,553)	(102,947)	(76,733)	(22,574,629)	(1,043,985)	91,449	76,733	(22,574,629)	(1,043,985)
Net loss					(23,006,055)	1,315,271	(23,006,055)	1,315,271	(22,903,108)	(1,238,338)
Depreciation Unallocated					(408,176)	(370,095)	(408,176)	(370,095)		
					(86,044)	(37,121)	(86,044)	(37,121)		
					(94,220)	(407,216)	(94,220)	(407,216)		
Segment assets					7,360,365	9,176,065	7,360,365	9,176,065		
Unallocated assets			45,374	4,852,815	20,232,117	1,278,710	20,232,117	1,278,710		
Consolidated total assets			7,266,986	4,323,250	27,792,482	10,454,775	27,792,482	10,454,775		
Segment liabilities					590,953	533,292	590,953	533,292		
Unallocated liabilities			23,207	175,634	461,992	2,247,478	461,992	2,247,478		
Consolidated total liabilities			567,746	357,638	1,052,945	2,780,770	1,052,945	2,780,770		

Geographical segments – all geographical segments are within Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
8. CASH ASSETS				
Current				
Cash at bank	8,917,716	587,008	8,917,716	585,593
Deposits at call	4,500,000	-	4,500,000	-
	<u>13,417,716</u>	<u>587,008</u>	<u>13,417,716</u>	<u>585,593</u>
- Cash at bank earns interest at floating rates based on daily bank deposit rates.				
- Deposits at call are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective deposits at call rates.				
Non-current				
Cash at bank – Interest Retention Account (see note below)	-	286,698	-	286,698
Cash at bank – Sinking Fund Account (see note below)	-	184,569	-	184,569
	<u>-</u>	<u>471,267</u>	<u>-</u>	<u>471,267</u>

The interest retention account and sinking fund account were requirements of the Trust Deed for Convertible Notes between CuDeco Ltd and ANZ Executors and Trustee Company Limited. The balance of the interest retention account was at all times during the duration of the trust equal to at least 12% of the face value of all notes that have not been converted, to provide cover for interest payments. The funds in the sinking fund were to be applied on the redemption date to redeem any convertible notes that had been converted at that date. However, all convertible notes were converted to notes during the year and the balance of these accounts were transferred to the working capital account (refer note 24).

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
9. RECEIVABLES				
Current				
Accrued interest	17,667	1,443	17,667	1,443
Debtors	14,024	-	14,024	-
Security deposits	20,000	20,000	20,000	20,000
Provision against security deposit	(20,000)	(20,000)	(20,000)	(20,000)
GST receivable	358,445	121,215	358,445	121,215
Prepayments	-	12,274	-	12,274
Other receivables	253,258	14,154	253,258	14,154
	<u>643,394</u>	<u>149,086</u>	<u>643,394</u>	<u>149,086</u>
Non-current				
Security deposits	8,355	35,400	8,355	35,400
Amounts receivable from:				
- Wholly-owned controlled entities (refer note 27)	-	-	-	19,000
- Other controlled entities (refer note 27)	-	-	-	254,452
- Provision against loan to controlled entities	-	-	-	(243,605)
	<u>8,355</u>	<u>35,400</u>	<u>8,355</u>	<u>65,247</u>

Terms and conditions relating to the above financial instruments:

- Trade and sundry debtors are non-interest bearing and generally on 30 day terms.
- Loan advances have been made to subsidiaries. The loans are interest free, unsecured and repayable only when the borrower's cash flow permits.
- Other receivables include an amount owing from Queensland Mining Corporation as reimbursement for expenses incurred. This amount is non-interest bearing and generally on 30 day terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
10. INVENTORIES				
Current – at cost				
Raw materials – ore stockpile	-	100,000	-	100,000
Raw materials – other	-	52,450	-	52,450
Work in progress	-	406,606	-	406,606
Finished goods	31,350	148,929	31,350	148,929
	<u>31,350</u>	<u>707,985</u>	<u>31,350</u>	<u>707,985</u>
Non-current – at cost				
Work in progress	-	1,257,300	-	1,257,300
11. OTHER FINANCIAL ASSETS				
Non-current				
Shares in controlled entities (refer note 22)	-	-	226,637	2,190,579
Provision against investment in controlled entity	-	-	(226,636)	(226,636)
	-	-	<u>1</u>	<u>1,963,943</u>
12. AVAILABLE FOR SALE FINANCIAL ASSETS				
Non-current				
Unlisted shares in other entity - at cost (see note)	5,750,000	-	5,750,000	-
Note: CuDeco Ltd holds 23 million shares in an unlisted public company, Queensland Mining Corporation Limited (16.95% at 30 June 2007)				
13. PROPERTY, PLANT AND EQUIPMENT				
<i>Land and buildings</i>				
At cost	357,125	-	357,125	-
Less accumulated	(7,717)	-	(7,717)	-
Total land and buildings	<u>349,408</u>	-	<u>349,408</u>	-
<i>Plant and equipment</i>				
At cost	1,251,213	4,057,012	1,251,213	4,057,012
Less accumulated depreciation	(524,525)	(867,599)	(524,525)	(867,599)
Total plant and equipment	<u>726,688</u>	<u>3,189,413</u>	<u>726,688</u>	<u>3,189,413</u>
Total property, plant and equipment	<u>1,076,096</u>	<u>3,189,413</u>	<u>1,076,096</u>	<u>3,189,413</u>
Reconciliation				
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year				
<i>Land and buildings</i>				
Carrying amount at the beginning of year	-	-	-	-
Additions during the year	357,125	-	357,125	-
Depreciation expense	(7,717)	-	(7,717)	-
Carrying amount at the end of the year	<u>349,408</u>	-	<u>349,408</u>	-
<i>Plant and equipment</i>				
Carrying amount at the beginning of year	3,189,413	2,893,668	3,189,413	2,893,668
Additions	728,446	702,961	728,446	702,961
Depreciation expense	(486,503)	(407,216)	(486,503)	(407,216)
Disposal on sale of Mt Norma assets	(2,704,688)	-	(2,704,688)	-
Carrying amount at the end of the year	<u>726,688</u>	<u>3,189,413</u>	<u>726,688</u>	<u>3,189,413</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**14. EXPLORATION AND EVALUATION EXPENDITURE**

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Costs carried forward in respect of areas of interest in exploration and/or evaluation phase:				
Balance at the beginning of the year	4,057,316	3,014,360	1,443,380	400,424
Acquisition and exploration costs incurred	6,440,354	1,073,587	6,531,550	1,064,474
Costs written-off	(41,146)	(30,631)	(26,342)	(21,518)
Assets sold during the year	(3,590,954)	-	(1,083,018)	-
Total exploration and evaluation expenditure	<u>6,865,570</u>	<u>4,057,316</u>	<u>6,865,570</u>	<u>1,443,380</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

15. PAYABLES**CURRENT**

Unsecured liabilities:

Trade creditors	906,557	778,970	906,557	778,970
Interest payable	-	118,219	-	118,219
Withholding tax payable	-	14,267	-	14,267
Loan from director-related entity (see note below)	-	2,550	-	-
Accrued annual leave	121,388	41,764	121,388	41,764
Sundry creditors and accrued expenses	25,000	20,000	25,000	20,000
	<u>1,052,945</u>	<u>975,770</u>	<u>1,052,945</u>	<u>973,220</u>

Note: The loan is interest free, unsecured and repayable at call.

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$

16. INTEREST BEARING LIABILITY**NON-CURRENT**

Convertible Note Liability (see notes below)	-	1,805,000	-	1,805,000
--	---	-----------	---	-----------

Note (i): At 30 June 2006, the Company had 451,250 convertible notes on issue with a face value of \$4 each and a redemption date of 31 December 2008. Each note was convertible to 5 fully paid ordinary shares at the holders' discretion. Interest was payable quarterly in arrears at a rate of 12% minimum, adjusted upwards subject to the spot market price for copper.

Note (ii): As at 30 June 2007, all convertible notes had been redeemed for ordinary shares.

17. CONTRIBUTED EQUITY

	2007	2006	2007	2006
	\$	\$	\$	\$
Issued and paid-up share capital				
85,530,008 (2006: 51,309,568) ordinary shares, fully paid	17a 57,188,642	28,903,089	57,188,642	28,903,089

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**17. CONTRIBUTED EQUITY (continued)****(a) Ordinary Shares**

Movements in ordinary share capital over the past two years were as follows:

Date	Details	Number of Shares	Issue Price	\$
1 July 2005	Closing balance	346,736,834		25,791,110
20 July 2005	Reorganisation of capital by consolidating every 10 shares into 1 new share approved by shareholders on 20 July 2005	(312,063,295)		-
3 August 2005	Convertible notes redeemed (see note (i))	2,002,500	\$0.2222	445,000
5 September 2005	Share placement issue	3,667,605	\$0.16	586,817
8 November 2005	Conversion of options	3	\$1.00	3
13 December 2005	Share placement issue	2,865,921	\$0.175	501,536
13 December 2005	Share issue for purchase of mineral interests	1,000,000	\$0.15	150,000
22 December 2005	Share placement issue	600,000	\$0.175	105,000
28 February 2006	Pursuant to prospectus dated 14 Feb 2006	6,500,000	\$0.25	1,625,000
	Share issue costs			(301,377)
30 June 2006	Closing balance	<u>51,309,568</u>		<u>28,903,089</u>
July 2006	Conversion of CDUOA \$1 options	7,353,810	\$1.00	7,353,810
July – June 2007	Conversion of CDUO \$0.20 options	19,574,158	\$0.20	3,914,832
17 October 2006	425,000 convertible notes redeemed	2,125,000	\$0.80	1,700,000
15 December 2006	Employee options exercised	650,000	\$0.20	130,000
15 December 2006	Employee options exercised	200,000	\$0.235	47,000
15 January 2007	20,000 convertible notes redeemed	100,000	\$0.80	80,000
30 January 2007	Director options exercised	800,000	\$0.50	400,000
15 March 2007	6,250 convertible notes redeemed	31,250	\$0.80	25,000
10 May 2007	Director options exercised	1,200,000	\$0.50	600,000
29 June 2007	Issue pursuant to share purchase plan	2,186,222	\$3.18	6,954,000
	Transfer option premium on conversion of options			7,089,235
	Share Issue Costs			(8,323)
30 June 2007	Closing balance	<u>85,530,008</u>		<u>57,188,643</u>
	<i>Movements subsequent to year end:</i>			
July - Sept 2007	Conversion of CDUO \$0.20 options	1,210,297	\$0.20	242,059
18 July 2007	Share placement issue	<u>8,235,885</u>	<u>\$3.18</u>	<u>26,190,114</u>
	Closing balance as at the date of this Financial Report	<u>94,976,190</u>		<u>83,620,816</u>

Note (i) On 3 August 2005 111,250 notes (post-consolidation) were redeemed for 2,002,500 shares and 1,001,250 options.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**17. CONTRIBUTED EQUITY (continued)****(b) Share Options**

Exercise Period	Exercise Price	Opening Balance 1 July 2006	Options Issued 2006/2007	Options Exercised 2006/2007	Options Expired/Forfeited 2006/2007	Closing Balance 30 June 2007
		Number	Number	Number	Number	Number
On or before 31 July 2006	\$1.00	7,641,994	-	(7,353,810)	(288,184)	-
On or before 30 June 2008	\$0.20	40,095,998	1,000,000	(19,574,158)	-	21,521,840
15/12/2006 – 15/12/2008	\$0.20	900,000	-	(650,000)	(250,000)	-
15/12/2006 – 15/12/2008	\$0.235	200,000	-	(200,000)	-	-
On or before 30 June 2008	\$0.50	-	6,000,000	(2,000,000)	-	4,000,000
1/03/2007 - 01/03/2008	\$4.50	-	250,000	-	-	250,000
1/06/2007 - 01/06/2008	\$5.50	-	250,000	-	-	250,000
		48,837,992	7,500,000	(29,777,968)	(538,184)	26,021,840

Since the year end, 1,210,297 CDUO \$0.20 options were exercised and converted to shares.

All the options issued during the year were issued at nil consideration.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up.

18. SHARE BASED PAYMENT PLANS*Employee Option Plan*

In July 2005, the Company adopted the CuDeco Limited Employee Option Plan ("Plan"). The Plan allows Directors from time to time to invite eligible employees to participate in the Plan and offer options to those eligible persons. The Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years. There are no cash settlement alternatives.

Non Plan based payments

The Company also makes share based payments to consultants and / or service providers from time to time, not under any specific plan. The CuDeco Limited Employee Option Plan does not allow for issue of options to the directors of the parent entity. Hence, specific shareholder approval is obtained for any share based payments to directors of the parent entity.

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under the Plan:

	2007 No.	2007 Weighted average exercise price	2006 No.	2006 Weighted average exercise price
Outstanding at the beginning of the year	1,100,000	-	-	-
Granted during the year	-	-	1,100,000	\$0.21
Forfeited during the year	(250,000)	\$0.20	-	-
Exercised during the year	(850,000)	\$0.21	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	1,100,000	-

There are no outstanding share options under the Plan at year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**18. SHARE BASED PAYMENT PLANS (continued)**

Other share based payments, not under any plans, are as follows (with additional information provided in Note 17 above):

	2007	2007	2006	2006
	Number	\$	Number	\$
Ordinary shares as part consideration for the purchase of mining leases (i)	-	-	1,000,000	150,000
Options to directors for services (ii)	6,000,000	21,060,000	400,000	13,600
Options as a fee for capital raising services - charged to issued capital (iii)	-	-	1,000,000	140,000
Options issued to consultants for services	500,000	252,500	-	-

- (i) The market value of the ordinary shares on the date of purchase was used in calculating the acquisition cost.
(ii) The directors' options vested immediately. (2006 - The market value of the listed options on the grant date was used in calculating the cost of the directors' options).
(iii) The market value of the listed options on the dates the liabilities arose were used to calculate the capital raising fees.

The fair value of the equity-settled share options granted under the Plan as well as not under any plans is estimated as at the date of grant using a binomial model taking into account the terms and conditions upon which the options were granted.

The weighted average fair value of options granted during the financial year ended 30 June 2007 was \$3.28 (2006 - 7.5 cents)

The following table lists the inputs to the model used for the years ended 30 June 2007 and 30 June 2006:

	2007	2006
Volatility (%)	59-121%	50%
Risk-free interest rate (%)	6.25%	5.5%
Expected life of option (years)	1 - 2 years	3 years
Exercise price (cents)	\$0.50, \$4.50 & \$5.50	20 and 23.5
Weighted average share price at grant date	\$3.86	\$0.19

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
19. RESERVES				
Capital Realisation	95,114	95,114	95,114	95,114
Capital Redemptions	432,000	432,000	432,000	432,000
Option Premium (note 19a)	35,218,133	20,824,585	35,218,133	20,824,585
	<u>35,745,247</u>	<u>21,351,699</u>	<u>35,745,247</u>	<u>21,351,699</u>
(a) Movement During the Year – Option Premium				
Opening balance	20,824,585	20,244,705	20,824,585	20,244,705
Issue of options	392,500	537,901	392,500	537,901
Issue of directors & employee options	21,090,283	52,552	21,090,283	52,552
Transfer option premium on conversion of options	(7,089,235)	-	(7,089,235)	-
Option issue costs	-	(10,573)	-	(10,573)
Closing balance	<u>35,218,133</u>	<u>20,824,585</u>	<u>35,218,133</u>	<u>20,824,585</u>

Option Premium Reserve

The option premium reserve is used to record the fair value of options issued but not exercised. The reserve is transferred to contributed equity if the options are exercised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	Consolidated		Company	
	2007	2006	2007	2006
20. MINORITY INTERESTS IN CONTROLLED ENTITIES				
Minority interest comprises:				
Share Capital	105,350	676,674	-	-
Accumulated Losses	(105,350)	(28,685)	-	-
Total outside equity interests	-	647,989	-	-

21. FINANCIAL INSTRUMENTS DISCLOSURES**(a) Financial risk management**

The consolidated entity's financial instruments consist mainly of convertible notes, deposits with financial institutions and accounts receivable and payable. The main risks that the consolidated entity is exposed to through its financial instruments is interest rate risk, credit risk, liquidity risk and price risk. For further details on interest rate risk refer to (b) below.

The credit risk on the financial assets of the consolidated entity which have been recognised in the balance sheet is their carrying amount. The consolidated entity is not materially exposed to any individual debtor or group of debtors. The consolidated entity deposits its cash with reputable financial institutions.

The consolidated entity manages liquidity risk by monitoring forecast cash flows.

Price risk for the consolidated entity results from the entity being exposed to fluctuations in copper prices. The consolidated entity does not currently hedge against fluctuations in copper prices. Price risk also arises because certain investments are classified on the balance sheet as available for sale and are therefore recorded at fair value. The Company monitors this risk regularly by reassessing the fair value of these investments.

(b) Interest rate risk

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Weighted average interest rate %	Floating interest rate \$	Fixed interest maturing in:		Non-interest bearing \$	Total \$
			1 year or less \$	more than 1 year \$		
2007						
Financial Assets						
Cash (refer note 8)	5.18	13,416,716	-	-	1,000	13,417,716
Receivables (refer note 9)		-	-	-	651,749	651,749
		13,416,716	-	-	652,749	14,069,465
Payables (refer note 15)		-	-	-	931,557	931,557
Interest bearing liabilities (refer note 16)		-	-	-	-	-
		-	-	-	931,557	931,557
2006						
Financial Assets						
Cash (refer note 8)	4.27	1,053,372	-	-	4,904	1,058,276
Receivables (refer note 9)		-	-	-	172,212	172,212
		1,053,372	-	-	177,116	1,230,488
Payables (refer note 15)		-	-	-	934,006	934,006
Interest bearing liabilities (refer note 16)	19.26	1,805,000	-	-	-	1,805,000
		1,805,000	-	-	934,006	2,739,006

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**21. FINANCIAL INSTRUMENT DISCLOSURE (continued)****(c) Net fair values of financial assets and liabilities**

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis.

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank deposits, other debtors and payables approximate net fair value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are as disclosed in the balance sheet and in the notes to the financial statements.

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

22. CONTROLLED ENTITIES**(a) Particulars in relation to controlled entities**

Name		Incorporated in	Interest held %	
			2007	2006
CuDeco Limited		Australia		
Controlled Entities				
Mt Norma Copper Pty Ltd	Ord	Australia	100	100
Flamingo Copper Mines Pty Ltd	Ord	Australia	-	100
Kryptonite Battery Company Pty Ltd	Ord	Australia	-	75
Umatilla Resources Pty Ltd	Ord	Australia	75	75

- (i) The Company's investment in Flamingo Copper Mines Pty Ltd was sold during the year.
(ii) The Company's investment in Kryptonite Battery Company Pty Ltd was sold during the year.

23. NOTES TO STATEMENT OF CASH FLOWS

	Consolidated		Company	
	2007	2006	2007	2006
(a) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities	\$	\$	\$	\$
Gain / (Loss) from ordinary activities after income tax	(23,006,055)	(1,315,271)	(22,994,557)	(1,297,714)
Add/(less) non-cash items				
Depreciation	494,220	407,216	494,220	407,216
Diminution in value of investment in controlled entity	-	-	-	582
Reversal of provision against intercompany loan	-	-	-	(8,116)
Share based payments	21,482,783	52,552	21,482,783	52,552
Loss on sale of Mt Norma	21,142	-	21,142	-
Provision against security deposit	-	20,000	-	20,000
Exchange loss	-	11,290	-	11,290
Exploration expenditure written off	-	30,631	-	21,518
Minority interests' share of loss	-	(1,256)	-	-
(Increase) / decrease in trade and term debtors	(307,744)	(57,818)	(277,897)	(58,064)
(Increase) / decrease in inventories	(292,077)	(268,664)	(292,077)	(268,664)
Increase / (decrease) in trade creditors and accruals	225,655	49,292	185,725	49,291
Increase / (decrease) in provisions	-	21,533	-	21,533
Cash flows from operations	(1,382,076)	(1,050,495)	(1,380,661)	(1,048,576)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**23. NOTES TO STATEMENT OF CASH FLOWS (continued)****(b) Non-cash financing and investing activities**

2007 - The Company issued 250,000 unlisted options exercisable at \$4.50 each and 250,000 unlisted options exercisable at \$5.50 each under the terms of a geological consulting agreement. Each tranche of options has a one year expiry period from the issue date.

2007 - On 26 September 2006 the Company issued 1,000,000 options exercisable at \$0.20 each on or before 30 June 2008 as part consideration for capital raising services in relation to the February 2006 capital raising.

2006 - The Company issued 1,000,000 ordinary shares at \$0.15 each as part consideration for the purchase of mining leases.

(c) Financing arrangements

The consolidated entity does not have any credit or standby facilities.

24. COMMITMENTS

There were no capital commitments or contingent liabilities, not provided for in the financial statements as at 30 June 2007, other than:

Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay amounts of approximately \$1,530 per annum on an ongoing basis in respect of tenement lease rentals, rates and other costs of keeping tenure. These obligations are expected to be fulfilled in the normal course of operations by the consolidated entity.

Sinking Fund

In accordance with the Trust Deed for Convertible Notes between CuDeco Ltd and ANZ Executors and Trustee Company Limited, the Company established a separate trust account (Sinking Fund) for the duration of the trust deed. At 15 March 2007 all convertible notes were converted to shares and therefore the balance of the sinking fund was transferred to the Company's operating account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**25. DISCONTINUED OPERATIONS****Details of operations disposed:**

In March 2007, the Board of Directors entered into an agreement for the sale of the Mt Norma copper sulphate business and other non-core mineral leases for consideration of \$7,925,000. Settlement occurred in June 2007.

Financial performance of operations disposed:

The results of the discontinued operations for the financial year are presented as follows:

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Revenue				
Sales of copper sulphate	1,169,846	854,649	1,169,846	854,649
Other income				
Research & development tax concession	-	438,284	-	438,284
	<u>1,169,846</u>	<u>1,292,933</u>	<u>1,169,846</u>	<u>1,292,933</u>
Expenses				
Changes in inventories of finished goods and work in progress	292,077	268,664	292,077	268,664
Raw materials used	(415,114)	(620,460)	(415,114)	(620,460)
Production costs	(659,665)	(570,465)	(659,665)	(570,465)
Costs of selling copper sulphate	(37,261)	-	(37,261)	-
Repairs & maintenance plant	(66,780)	(148,833)	(66,780)	(148,833)
Depreciation	(299,756)	(285,662)	(299,756)	(285,662)
Loss on sale of Mt Norma assets	(21,142)	-	(21,142)	-
Other	(65,152)	(12,910)	(51,653)	(4,031)
Expenses	<u>(1,272,793)</u>	<u>(1,369,666)</u>	<u>(1,259,294)</u>	<u>(1,360,787)</u>
Loss before tax from discontinued operations	<u>(102,947)</u>	<u>(76,733)</u>	<u>(89,448)</u>	<u>(67,854)</u>
Tax expense	-	-	-	-
Loss after tax from discontinued operations	<u>(102,947)</u>	<u>(76,733)</u>	<u>(89,448)</u>	<u>(67,854)</u>

	Consolidated 2007 \$
Loss on sale of Mt Norma Assets:	
Consideration received:	
Shares	5,750,000
Cash	2,175,000
	<u>7,925,000</u>
Property, plant & equipment	2,704,688
Exploration expenditure	2,940,959
Inventories	2,300,495
	<u>7,946,142</u>
Loss on sale of Mt Norma Assets	<u>21,142</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**26. KEY MANAGEMENT PERSONNEL**

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Executive Directors	Non-Executive Directors
Mr Wayne McCrae	Mr William Cash (appointed 27 July 2007)
Mr Timothy Koitka	Mr Paul Keran (appointed 2 July 2007)
Mr Peter Hutchison	

There were no other key management personnel of the consolidated entity other than the Directors of CuDeco Limited. The key management personnel compensation is as follows:

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Short-term employee benefits	247,500	195,833	247,500	195,833
Post-employment benefits	22,275	17,625	22,275	17,625
Share-based payments	21,060,000	13,600	21,060,000	13,600
	21,329,775	227,058	21,329,775	227,058

Further details regarding the compensation of key management personnel can be found in the Remuneration Report within the Directors Report.

Shareholdings

The numbers of shares in the Company held during the financial year by directors, including shares held by entities they control, are set out below.

Ordinary Shares	Balance 1 July 2006	Received as Remuneration	Options Exercised	Net Change Other #	Balance 30 June 2007
Directors					
Wayne McCrae	7,959,035	-	3,317,166	(2,064,245)	9,211,956
Timothy Koitka	365,883	-	2,000,000	(981,428)	1,384,455
Peter Hutchison	57,970	-	14,492	(58,428)	14,034

Ordinary Shares	Balance 1 July 2005	Balance Post-Consolidation	Received as Remuneration	Options Exercised	Net Change Other #	Balance 30 June 2006
Directors						
Wayne McCrae	76,850,001	7,685,000	-	-	274,035	7,959,035
Timothy Koitka	2,666,667	266,666	-	-	99,217	365,883
Peter Hutchison	579,709	57,970	-	-	-	57,970
Thomas Pickett	20,000	2,000	-	-	-	N/A

Optionholdings

The numbers of options in the Company held during the financial year by directors, including options held by entities they control, are set out below.

	Balance 1 July 2006	Received as Remuneration	Options Exercised	Net Change Other #	Balance 30 June 2007
Director					
Wayne McCrae	4,213,366	3,000,000	(3,317,166)	(890,109)	3,006,091
Timothy Koitka	200,000	2,000,000	(2,000,000)	-	200,000
Peter Hutchison	214,492	1,000,000	(14,492)	(200,000)	1,000,000

	Balance 1 July 2005	Balance Post-Consolidation	Received as Remuneration	Options Exercised	Net Change Other #	Balance 30 June 2006
Director						
Wayne McCrae	1,667,000	166,700	-	-	4,046,666	4,213,366
Timothy Koitka	-	-	200,000	-	-	200,000
Peter Hutchison	144,927	14,492	200,000	-	-	214,492
Thomas Pickett	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**26. KEY MANAGEMENT PERSONNEL (continued)**

Net change other refers to shares and options purchased or sold during the financial year.

The directors participated in the Company's Share Purchase Plan announced on 11 May 2007. These shares were allotted on 29 June 2007.

The options issued to directors during the year were issued as a reward for past services and as incentive for future performance.

All options are vested and exercisable at balance date.

Transactions with Directors and Director-Related Entities

A number of directors of the Company, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. The terms of the transactions with directors and their personally related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The loss after tax includes the following expenses that resulted from transactions with directors of the Company and their personally related entities.

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Rent paid or payable to Kaldig Pty Ltd, an entity in which Mr McCrae is a director and has a beneficial interest.	41,667	48,000	41,667	48,000
(b) Equipment hire paid or payable to Kaldig Pty Ltd, an entity in which Mr McCrae is a director and has a beneficial interest.	110,825	73,278	110,825	73,278
(c) Rent paid or payable to Wayne McCrae.	62,500	-	62,500	-
(d) Rent paid or payable to Magivista Pty Ltd, an entity in which Mr McCrae is a director and has a beneficial interest.	39,667	-	39,667	-
(e) Equipment hire paid or payable to Orefire Minerals Pty Ltd, an entity in which Mr Koitka is a director and has a beneficial interest.	33,080	-	33,080	-
<i>Balances due to Directors and Director Related Entities at period end</i>				
- included in trade creditors and accruals	-	29,442	-	26,892

In July and August 2005 the Company received loans totalling \$270,000 from Kaldig Pty Ltd (a company of which Mr McCrae is a director and has a beneficial interest). The loans were interest free, unsecured and repayable at call. The loans were repaid in September 2005, January 2006 and March 2006.

Purchases

2006 – The Company purchased \$37,500 of plant and equipment from Orefire Minerals Pty Ltd (a company of which Mr Koitka is a director and has a beneficial interest).

2006 – The Company purchased \$15,000 of plant and equipment from Peter Hutchison.

The purchases were made under normal commercial terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (Continued)**27. RELATED PARTIES****Non-director related parties**

The consolidated entity consists of CuDeco Limited and its wholly-owned controlled entities and other controlled entities (refer note 23). Transactions between CuDeco Limited and its controlled entities consisted of:

- (i) Loans advanced by and to CuDeco Limited. The loans are interest free, unsecured and repayable at call.
- (ii) Expenses incurred by CuDeco Limited are on-charged to controlled entities at cost.
- (iii) Administrative services are provided at no cost to controlled entities.

Receivables and Payables

The aggregate amounts receivable from and payables to related parties in the wholly-owned group (being wholly-owned controlled entities) at balance date were as follows:

	Consolidated		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Non-current receivables	-	-	-	29,847

28. EVENTS SUBSEQUENT TO BALANCE DATE

In July 2007 the Company issued 8,235,885 shares at an issue price of \$3.18 to clients of specialist institutional broking house, Lodge Partners and clients of Martin Place Securities Pty Ltd raising \$26,190,114. The funds will be used to aggressively advance the Company's Rocklands Copper Group project, including continued drilling, engineering studies, metallurgical studies and other infrastructure development expenditure.

Except for the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of CuDeco Limited:

- (a) the financial statements and notes as set out on pages 56 to 81 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2007 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the remuneration disclosures set out in the Remuneration Report within the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and the Corporation Regulations 2001.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2007.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.



W McCrae
Chairman

Dated at Cloncurry this 28th day of September 2007

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the members of CuDeco Limited

We have audited the accompanying financial report of CuDeco Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at year end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the consolidated entity has disclosed information about remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 Related Party Disclosures, under the heading "Remuneration Report" of the directors' report, and not in the financial report.

Directors' Responsibility for the Financial Report and the AABS 124 Remuneration Disclosures Contained in the Directors' Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated and parent financial statements and notes, complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence


In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* and provided to the directors of CuDeco Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of CuDeco Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date;
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (c) the consolidated and parent financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

In our opinion the remuneration disclosures contained in the remuneration report in the directors' report comply with Accounting Standard AASB 124.

BDO Kendalls (QLD)*BDO Kendalls*

A J Whyte
Partner

Brisbane
Dated: 28 September 2007

Corporate Governance Statement

The Board of Directors of CuDeco Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

In accordance with the Australian Securities Exchange Corporate Governance Council's ("CGC") "Principles of Good Corporate Governance and Best Practice Recommendations" the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed together with the reasons for the departure.

The Company's corporate governance practices were in place throughout the financial year ended 30 June 2007 and were compliant, unless otherwise stated, with the CGC's principles and recommendations, which are noted below. The Board as a whole is involved in matters where larger Boards would ordinarily operate through sub-committees. For these reasons, some of the best practices recommended by CGC are not cost effective for adoption in a small company environment.

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Encourage enhanced performance
Principle 9.	Remunerate fairly and responsibly
Principle 10.	Recognise the legitimate interests of stakeholders

Board of Directors

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. The Board is responsible for setting the strategic direction and establishing the policies of the Group. It is responsible for overseeing the financial position, and for monitoring the business and affairs on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable. The Board also addresses issues relating to internal controls and approaches to risk management. The Board is responsible for the overall Corporate Governance of the consolidated entity.

The Company did not comply with ASX Recommendation 1.1 as there was no formalisation and disclosure of separate functions between the Board and management during the reporting period. Throughout the reporting period the Board consisted of three executive directors and one non-executive director. The executive directors were the management of the Company. The Board considers that, given the size of the Company and the early stage of development of its lead project, it would not be practicable or cost effective to have a larger Board comprising a majority of independent directors.

Board processes

It is proposed the Board will hold scheduled meetings at least once every two months, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairman and executive directors. Standing items include the executive directors' report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time, and has not adhered to ASX Recommendations 2.4, 4.2 and 9.2 during the financial year. Again, given the size and the relative simplicity of the Company's activities, the Board as a whole is able to deal effectively with matters such as the external audit process and remuneration of employees. However, in September 2007 the Board appointed an audit committee.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

Composition of the Board

The names, qualifications and relative experience of the directors of the company in office at the date of this Statement are set out in the Directors' Report.

Corporate Governance Statement (continued)

The composition of the Board is determined using the following principles:

- the Board should comprise at least three directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified
- the Board should not comprise a majority of executive directors
- the Board should comprise directors with a broad range of expertise
- directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors are subject to re-election at least every three years

During the financial year, all the Board, including the Chairman were executives who cannot be considered independent, which is not consistent with ASX Recommendations 2.1 and 2.2. However, the Board is of the view that there is a broad mix of skills required and that given their experience each of the directors are aware of and capable of acting in an independent manner and in the best interests of the shareholders. Since year-end two non-executive, independent directors have been appointed.

The composition of the Board is reviewed on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, a panel of candidates is selected with the appropriate expertise and experience. External advisers may be used to assist in such a process. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The Company did not adhere to ASX Recommendation 9.1 as remuneration policies have not been formulated in a formal manner. Given the size of the Company and the below market rates paid to executive directors and there being no other executives, the Board does not consider it necessary to formulate the policies at this time. The Financial Report and the Directors Report do however disclose details of remuneration paid or payable (broken down by separate constituents of the remuneration package) to each of the directors.

The Chairman reviews the performance of all directors each year. Directors whose performance is unsatisfactory are asked to retire.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's constitution directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the company. Where the Board believes that a significant conflict exists the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the consolidated entity's expense. A copy of advice received by the director is made available to all other members of the Board.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated the following internal control framework:

Continuous disclosure – The Company is a "Disclosing Entity" within the meaning of section 111AC of the Corporations Act. As such, regular reporting and disclosure obligations will require the Company to disclose to the ASX information of which it is, or becomes, aware that concerns the Company which a reasonable person would expect to have a material effect on the price or value of the Company unless certain exceptions from the obligation to disclose apply.

Business Risk Management

The Board monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements. Major business risks arise from such matters as commodities price and foreign currency fluctuations, human resources, the environment, the technical risks of mineral exploration and mining and continuous disclosure obligations.

Corporate Governance Statement (continued)

Ethical Standards

The Board acknowledges the need for continued maintenance of the highest standards of corporate governance practice and ethical conduct by all Directors and employees. A fundamental theme of the Company's code of ethics is that all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the consolidated entity.

All directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity.

The Company did not comply with ASX Recommendation 3.2 as it does not have a formal written policy regarding trading in company securities by directors, officers and employees, however there is a clear understanding as to when trading is inappropriate.

Shareholder Relations

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company. In addition to complying with the continuous disclosure rules of the ASX, information is communicated to the shareholders through:

- The annual report which is distributed to all shareholders;
- The half yearly financial report lodged with the ASX;
- Advising shareholders of the key issues affecting the Company;
- Posting all ASX announcements on the Company's website; and
- Conducting an Annual General Meeting each year that incorporates an address by the Chairman and/or the Executive Directors, and other meetings called to obtain shareholder approval for specific matters.

Shareholder Information

The shareholder information set out below was applicable as at 24 September 2007.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares	Percentage
Wayne McCrae, Kaldig Pty Ltd, Magivista Pty Ltd, Cameron McCrae <C4 Share A/C>	9,218,983	9.7%

Distribution of equity security holders

Size of Holding	Ordinary Shares	Listed Options
1 to 1,000	1,791	57
1,001 to 5,000	2,676	65
5,001 to 10,000	830	37
10,001 to 100,000	932	85
100,001 and over	115	42
	<u>6,344</u>	<u>286</u>

The number of shareholdings comprising less than a marketable parcel was 153.

On-market buy-back

There is no current on-market buy-back.

Mining tenements held at 28 September 2007 are as follows:-

Project	Tenement Reference	Company Interest %
Double Oxide	ML 90117	100
	EPM 13049	100
	MLA 01977	100

Unquoted Options

Unquoted options on issue at 28 September 2007 were as follows:

Number of Options	Exercise Price	Exercise Periods/ Expiry Dates	Number of Holders	Names of Holders of 20% or more of each class of unquoted options
4,000,000	\$0.50	On or before 30 June 2008	2	W. McCrae (75%) P. Hutchison (25%)
250,000	\$4.50	On or before 1 March 2008	1	Mineral Resource Consultants Pty Ltd (100%)
250,000	\$5.50	On or before 1 June 2008	1	Mineral Resource Consultants Pty Ltd (100%)
200,000	\$5.50	On or before 30 June 2008	1	D. Wilson (100%)
100,000	\$3.29	15 February & 15 August 2008	1	K. Emery (100%)
250,000	\$6.50	On or before 1 September 2008	1	Mineral Resource Consultants Pty Ltd (100%)

Shareholder Information (continued)**Twenty Largest Shareholders as at 24 September 2007**

	Number of Shares	% Held
National Nominees Limited	6,976,307	7.345
Cameron McCrae <C4 Share A/C>	5,036,272	5.303
ANZ Nominees Limited	3,824,805	4.027
Kaldig Pty Ltd	3,381,139	3.560
HSBC Custody Nominees (Australia) Limited	2,279,511	2.400
Citicorp Nominees Pty Ltd	2,171,867	2.287
Gredeara Pty Limited	1,711,572	1.802
Mr Cameron McCrae	1,189,750	1.253
Mr Peter John & Mrs Eve Vince	1,071,586	1.128
Camsport Pty Ltd	1,060,000	1.116
Mrs Diane Sue Campbell	1,017,000	1.071
Mr Gregory Clyde & Mrs Diane Sue Campbell	1,000,000	1.053
Timothy Francis Koitka & Lynette Joan Vernon	1,000,000	1.053
LC Asia Ltd	902,875	0.951
Mr Robert Malcolm Campbell & Mrs Maria Paulina Josepha Campbell	805,000	0.848
Magivista Pty Ltd	801,572	0.844
Ms Karen Erb	734,472	0.773
Kefir Pty Ltd	600,000	0.632
Fortis Clearing Nominees Pty Ltd	511,668	0.539
Station Capital Pty Ltd	501,957	0.529
Mr Bryan Welch & Ms Glynda Curtin	500,000	0.526
	37,077,353	39.039

Twenty Largest Optionholders as at 24 September 2007

	Number of Options	% Held
Camsport Pty Ltd	3,055,000	15.041
Gredeara Pty Ltd	1,350,000	6.646
National Nominees Ltd	1,200,000	5.908
Mrs Diane Sue Campbell	900,000	4.431
Mrs Smiti Shah	850,000	4.185
Mrs Janelle Kerrie Vassallo	700,000	3.446
Kefir Pty Ltd	603,400	2.971
Mr Peter John & Mrs Eve Vince	477,326	2.350
Mr Mustafa Merdivenci	464,676	2.288
Mr John Fox	417,225	2.054
Mr Zheng Hua Wang	400,000	1.969
Mdm Po Chu Wong	379,244	1.867
Fortis Clearing Nominees Pty Ltd	342,332	1.685
Dr Andrew Stocky	339,916	1.674
Alcardo Investments Limited	320,000	1.575
L C Asia Ltd	311,437	1.533
Mr Niyazi, Mrs Sevgi & Mr Mustafa Merdivenci	302,228	1.488
WHI Securities Pty Ltd	300,000	1.477
Mr Carlo Fazioli	230,000	1.132
R Cordina & Son Pty Limited	227,555	1.120
	13,170,339	64.842



Contents

Section 1

Corporate Directory...page 03
Chairman's Report...pages 04-39

Section 2

Review of Operations...pages 41-46
Directors' Report...pages 47-55
Income Statement...page 56
Balance Sheet...page 57
Statement of Changes in Equity...pages 58-59
Cash Flow Statement...page 60
Notes to the Financial Statements...pages 61-81
Directors' Declaration...page 82
Independent Audit Report...pages 83-84
Corporate Governance Statement...pages 88-87
Additional Shareholder Information...pages 88-89

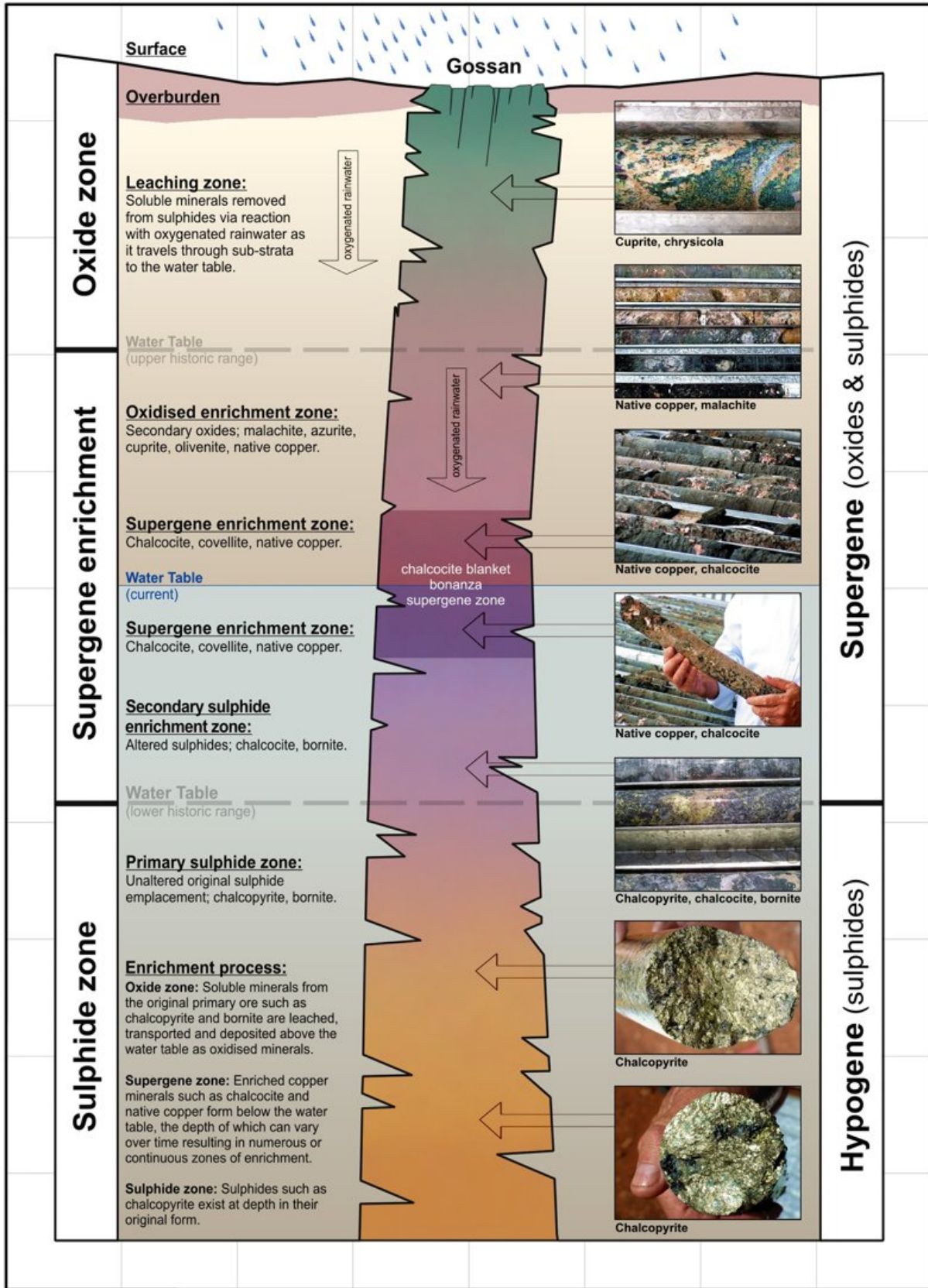
Section 3

Reference images...

1. Typical ore body section...page 91
2. Geophysics - Conductivity...page 92
3. Geophysics - Magnetics...page 93
4. Geophysics - Radiometrics...page 94
5. Geophysics - Induced Polarisation (IP)...pages 95-96



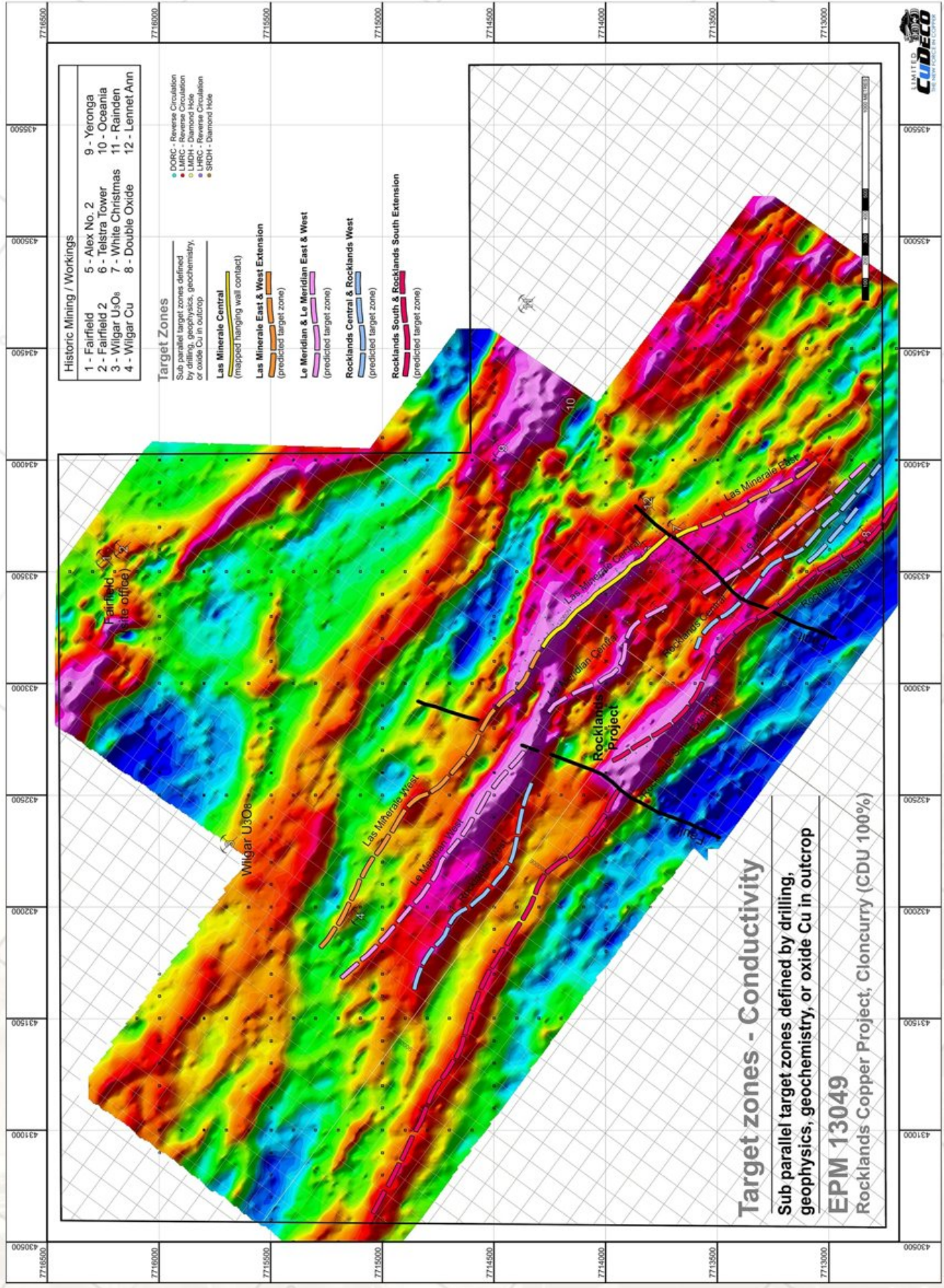
For personal use only



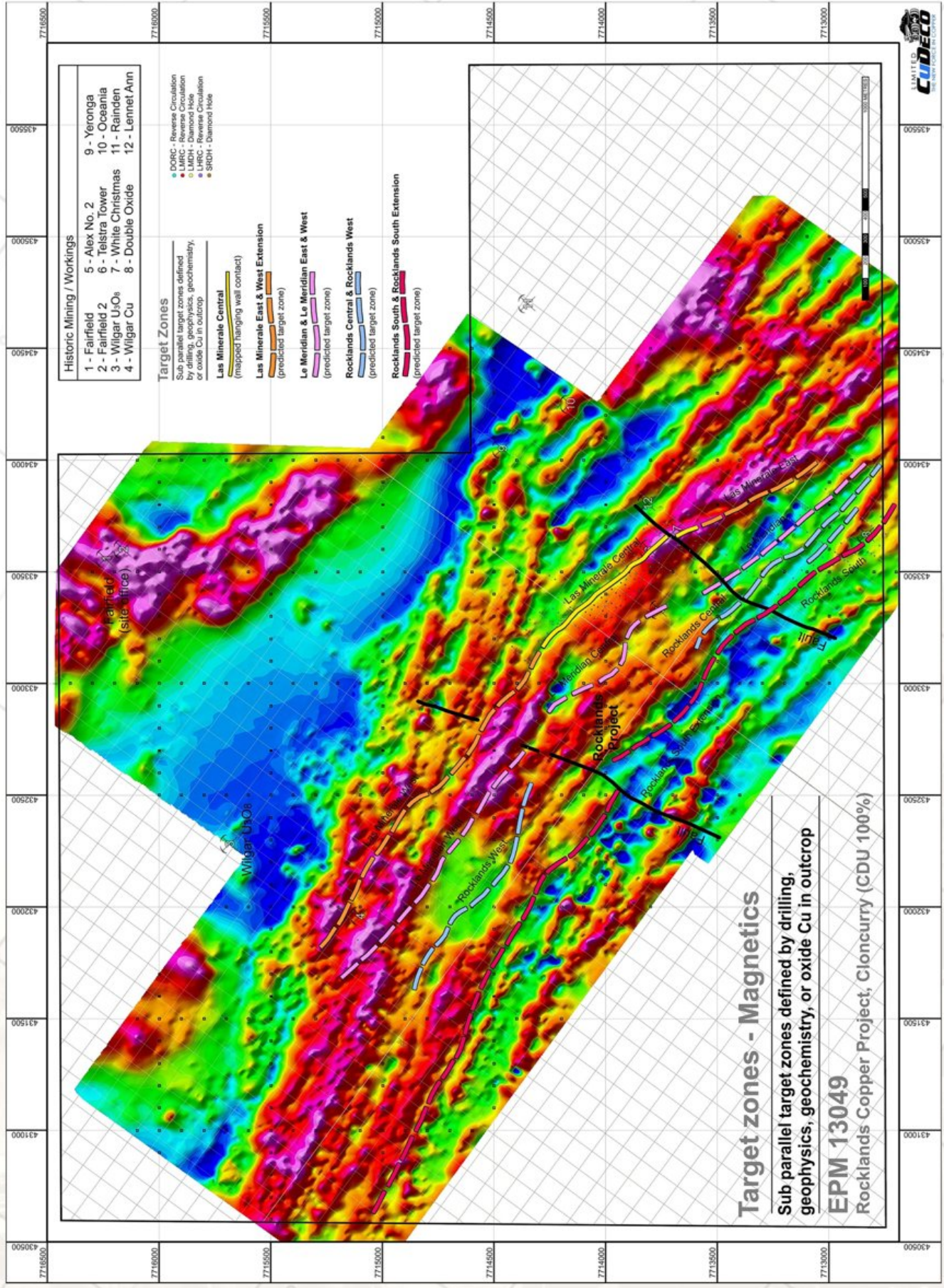
Schematic Cross Section
Typical copper orebody enrichment zones
 ROCKLANDS GROUP COPPER PROJECT (CDU 100%)



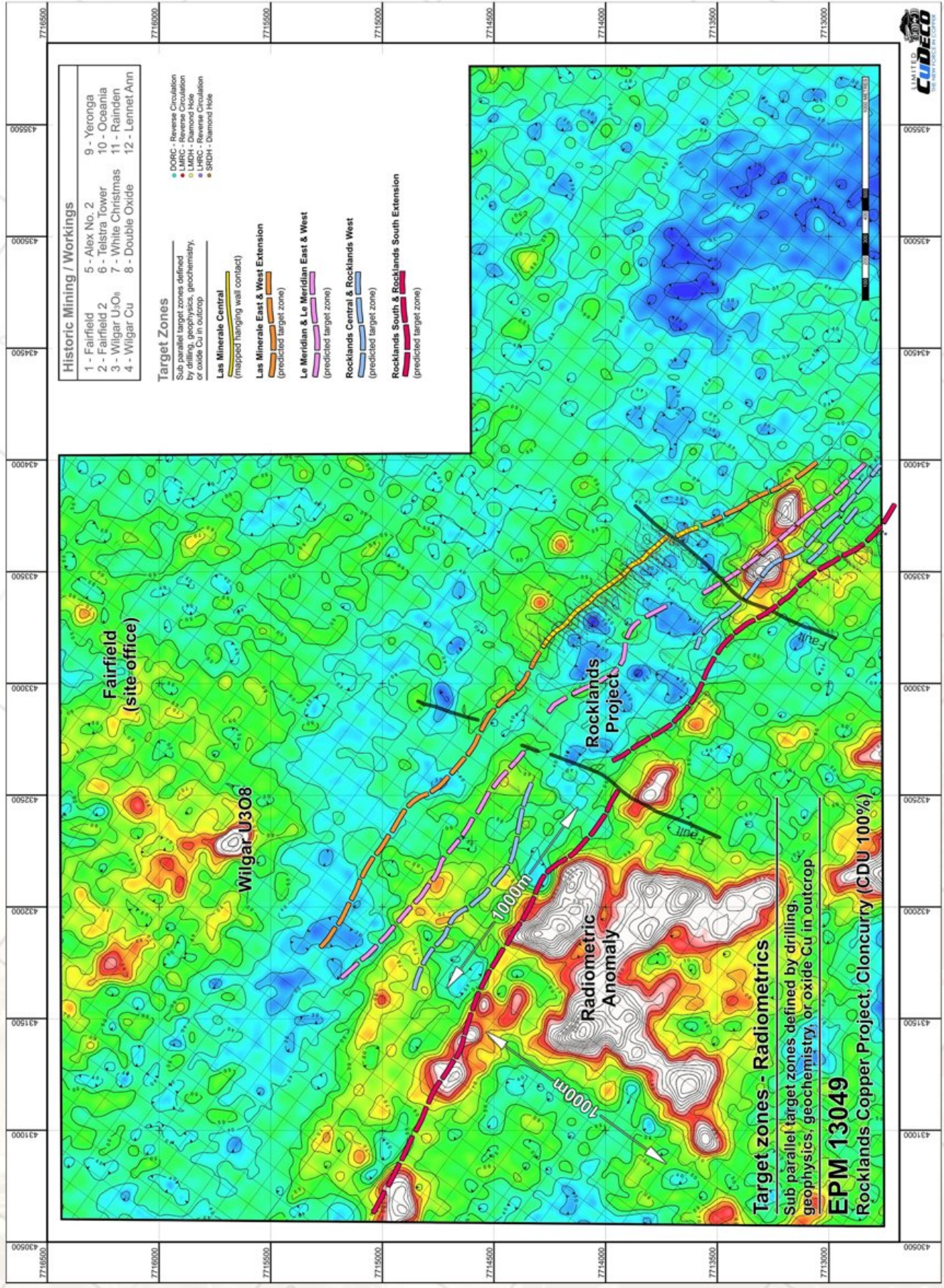
file: s001 (schematic cross section - typical copper ore body)

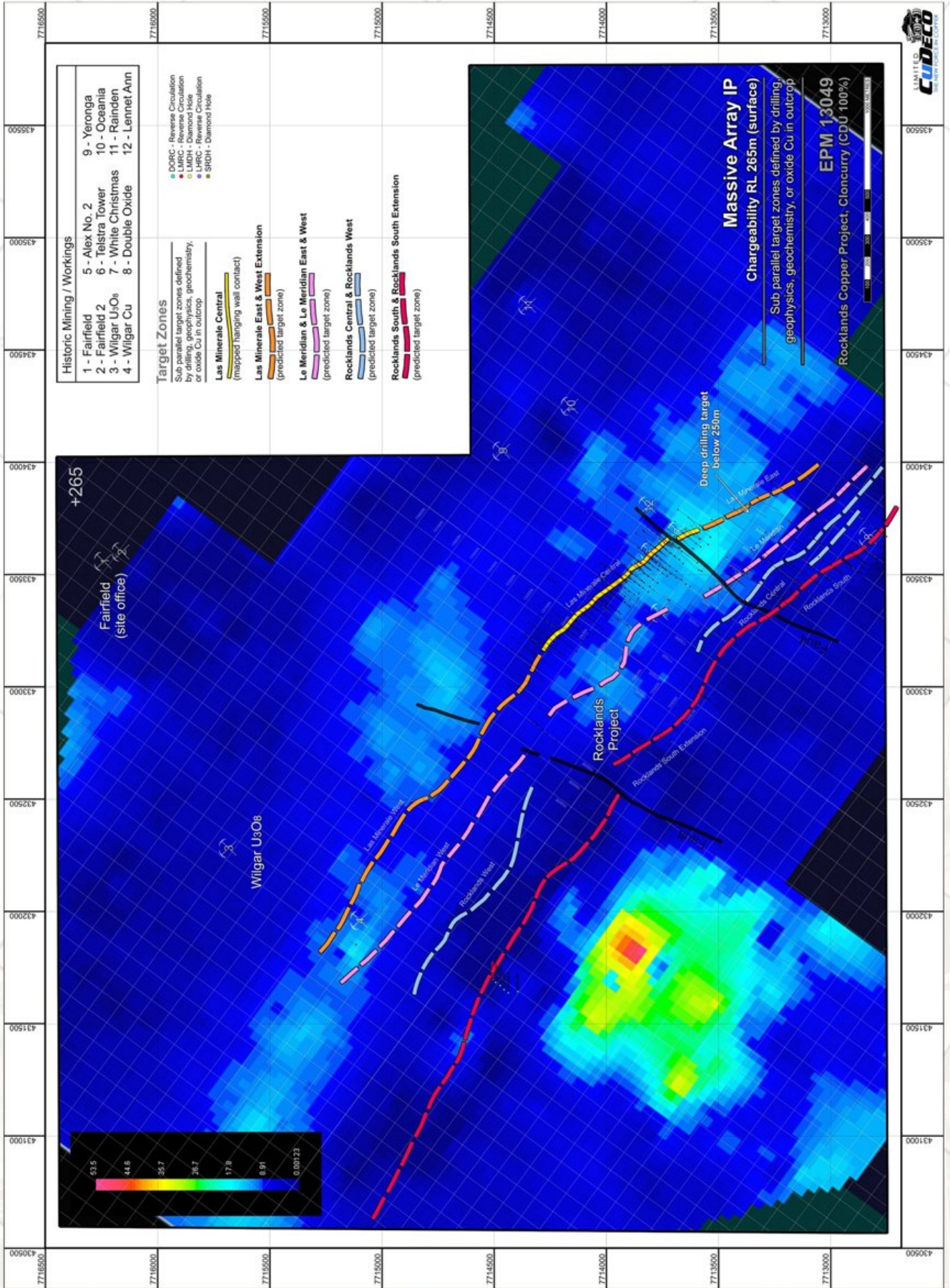


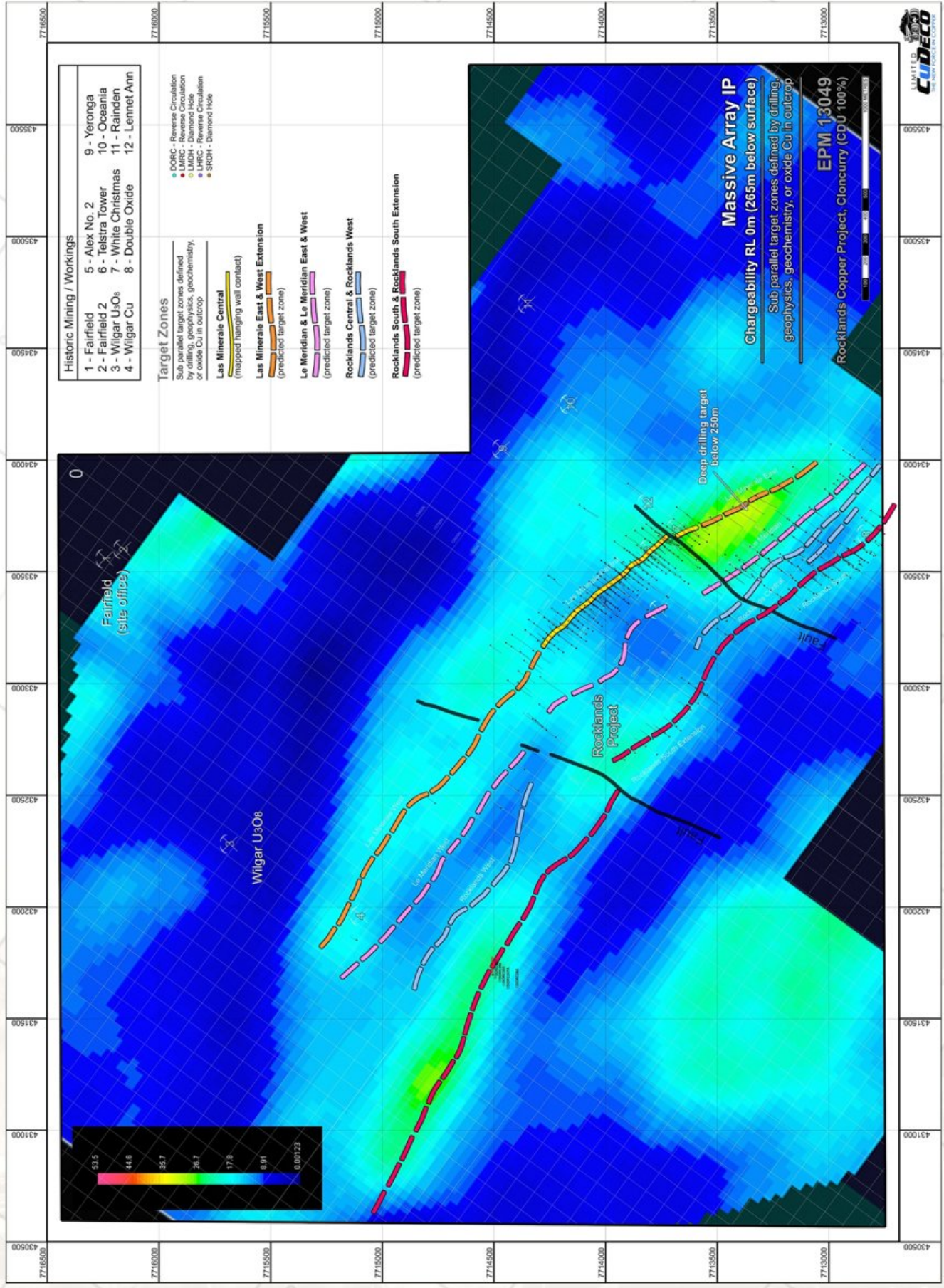
For personal use only



For personal use only







For personal use only

