



ACN 000 317 251

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**QUARTERLY REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2006**

**INTRODUCTION**

*The Director's are genuinely excited about the potential of the discovery on the Rocklands EPM and we are diligently attempting to keep the market informed of its potential under the requirements of continuous disclosure, ASX guidelines and confidentiality associated with such an important project.*

*During the quarter we responded in detail to requests from the ASX to confirm the geological and technical basis for our reports and the categorisation of resource estimates. The Company believes its position on resource estimates will be vindicated.*

*All technical information in reports released to the market was, and in the future will continue to be, prepared for the Board by a JORC compliant Geologist and other independent technical consultants that we have on site or have commissioned to endorse the substance of our analysis and estimates.*

*We faced during the quarter sharp volatility in the Company's share price. During these price fluctuations which occurred several days after our key announcements, we became aware of short selling of the stock and difficulties facing opportunistic traders and market makers to cover their positions. This information was reported to the ASX.*

*In this quarterly report we have summarised our ASX releases since the acquisition of EPM 13049 announced on 18 November 2005 and matched these announcements with movements in the share price which is presented in accompanying graphs. Please refer to the Attachment to this report.*

*During the quarter and subsequently prior to the release of this report, we continue to intersect wide mineralised zones along and across strike and we look forward to releasing further results of the drilling and evaluation work on a regular basis through the remainder of this calendar year.*

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### **PRIORITIES AND OBJECTIVES FOR JUNE QUARTER**

- Complete JORC Code Resource to Measured, Indicated and Inferred categories on the Rocklands Group Copper Project
- To increase the copper resource by Reverse Circulation drilling over 1,000 metres of strike length of the Las Minerale Zone
- To complete a deep Diamond Core drilling program on Double Oxide Zone, prior to reporting the updated Resource estimates
- To complete a deep Diamond Core drilling program and complete 4,000 metre Reverse Circulation drilling program on Rocklands Central
- To drill beneath new evidence of mineralisation identified from a rock chip sample (19.6% Cu) taken from a costean 200m along strike to north west Double Oxide
- To commence a deep Diamond Core Drilling program on Las Minerale to confirm mineralisation continues at depth
- To complete a geophysical survey over Las Minerale, Rocklands Central and Double Oxide projects
- To increase the vats at the Mt Norma Copper Sulphate Plant by 25,000 tonnes with new copper oxide ore
- To investigate and complete a program of de-bottlenecking and deficiency improvement for sections of the Copper Sulphate Plant
- Complete stabilisation of the Mt Norma open cut and commence mining of the high grade copper deposit for processing by leaching at the Mt Norma Copper Sulphate Plant

### **ROCKLANDS GROUP COPPER PROJECT**

***– Inferred Resource of 25M tonnes @ 1.6% Cu within a Target of 100M + tonnes***

Since acquisition in November 2005, the company has moved rapidly in its exploration and definition of a substantial Inferred Resource on EPM 13049.

The primary reason for the acquisition of the EPM 13049 was for the Company to broaden its search for copper oxide feed for its Mt Norma Copper Sulphate Project when a review of the historical data which became available following the acquisition, indicated there were several mineralised shear zones over 500m wide which warranted further investigation.

In December 2005, the Company commenced a bedrock geochemical drilling survey which rapidly delineated significant anomalous copper geochemistry over an area of 700m X 900m.

A Reverse Circulation drilling program was commenced in February 2006.

Reverse Circulation drilling defined wide and deep zones of copper mineralisation and lead to the definition of an Inferred Resource on 29 June 2006. A close correlation with mineralised zones and magnetic anomalies is also evident from research of historical data and new exploration work.

Drilling since the reporting date has continued to intersect mineralised zones along strike and down dip and also off strike in parallel zones.

In addition the analytical results show persistent cobalt and gold with the copper mineralisation which is consistent with historical records.

Since the definition of the Inferred Resource reported on 29 June, the Company is gearing up for a major exploration program which will involve the installation of an expanded exploration grid, detailed geological mapping, comprehensive geophysical surveys, the expansion from 10,000 to 60,000 metres of Reverse Circulation drilling and 2,500+ metres of Diamond Core Drilling.

### **History of Rocklands Acquisition and Discovery**

The following represents a summary of announcements with regard to the Rocklands Project for the period 18 November 2005 to 30 June 2006. This summary should be read in conjunction with the share price graphs and the plan showing the location of the holes, presented in the attachments to this report.

Date	Announcement
18 November 2005	<p>The Company reported the acquisition of 100% of the Fairfield Copper Project and EPM 13049EPM 13049 which covers "numerous identified copper projects including the Rocklands Group, Double Oxide, Lennet Ann, Lady Ruby, Rainden, Oceania Group and Butcher Bird".</p> <p>The Company further states "an assessment of previous drilling by a number of companies including CRA, has identified five subordinate shears within a width of 500m at the Double Oxide. The aggregate length of the various shears within and immediately peripheral to the two existing structures appears to be at least 6,000 metres collectively and provides a significant exploration target. The Double Oxide was considered prospective for stratabound copper-gold mineralisation".</p> <p>The Company noted from previous drilling by other companies - "In an area northwards along strike of Double Oxide diamond drill holes were put down and both showed native copper mineralisation. In addition, approximately 34 holes have been drilled all showing copper-cobalt</p>

<b>Date</b>	<b>Announcement</b>
	mineralisation with 6 diamond holes returning 20m @ 2.33% Cu, 30m @ 0.5% Cu, 4.7m @ 10.35% Cu, 9m @ 2.44% Cu and 9m @ 3.76% Cu".
22 November 2005	<p>The Company reported re EPM 13049 and the Fairfield Mining Lease ML 90117, that it can provide the balance of the geological data in relation to drilling and exploration from information researched on open file with the Department of Mines and Natural Resources which included a CRA report on Double Oxide EPM.</p> <p>The information showed that "drilling was carried out on the Double Oxide region between 1981 and 1982 and described widespread low to medium grades of copper mineralisation with the majority of the holes drilled still in copper mineralisation at the end of the hole, e.g. DDP17 intersected 32m @ 1.27% Cu". A tables of results were presented in the announcement.</p>
1 December 2005	The Company reported the existence of a Uranium anomaly (The "Wilgar Uranium Anomaly" within EPM 13049.
8 December 2006	<p>The Company reported the completion of an independent geological assessment of EPM 13049 by Australian Geoscientists Pty Ltd.</p> <p>The assessment involved the analysis and review of 30 historical drill holes (1981/1982) drilled over a strike length of 1,200 metres, ground magnetic survey data and soil geochemistry data.</p> <p>The historical exploration had "identified a large east west shear zone approximately 500 metres wide carrying a number of copper mineralised zones. The total length of these zones is approximately 6,000 metres giving the Double Oxide area significant potential for large scale tonnage".</p> <p>The Company reported that its geological consultant, Australian Geoscientists Pty Ltd "concluded that there is significant potential for a (open cut) target tonnage in the order of tens of millions of tons up to 46 million tonnes (upper end of the range calculated by reference to presently available information) at a presently calculated grade of around 1.6% Cu with cobalt and gold credits".</p>
31 January 2006	The Company reported re EPM 13049, new geological data and an on site evaluation since the 8 December announcement "increased the likelihood of expanding the tonnage target" and the commencement of a 600 hole bedrock geochemical program. CRA describes the area to possibly contain significant tonnages of copper mineralisation.

Date	Announcement
	<p>Further CRA in determining the theory which would extend the size of the tonnage already targeted said that several possibilities could be invoked to explain the lateral mineralisation:</p> <ol style="list-style-type: none"> <li>1. supergene enrichment relative to water table in a copper-crete</li> <li>2. chemical precipitate related to thick calcite veins which are common local weathering product of mafic rocks</li> <li>3. related to the contact zone between mafics and Mitakoodi quartzite and carbonates in the lower part of the overhanging jasperite</li> <li>4. a structural trap along the Mitakoodi/overhang contact</li> </ol> <p>Further the Company stated - "Since AUM purchased the EPM, geologists have indicated a number of other zones of interest where copper mineralisation has been discovered. The bedrock geochem 600 drilling survey is to commence and be completed by mid quarter. At the completion, or prior to the completion of the geochemical drill survey, it is anticipated a preliminary RC drill program will have commenced on immediate identified drill targets and to re-drill some previous holes that were terminated whilst still in copper mineralisation and other holes that never reached their intended target. The re-drilling of those holes is expected to increase the tonnage target of 46 million tonnes @ 1.6% Cu".</p>
28 February 2006	<p>The Company reported the analytical results from 422 of the 600 hole bedrock geochemical program. "The bedrock geochem drilling delineated anomalous copper geochemistry over a 700m X 900m area (630,000 sq m) containing highly anomalous copper zones assaying better than 1,000 ppm copper up to 12,000 ppm (1.2%). The zone is open in all directions".</p> <p>"The extensive bedrock-drilling program proved highly effective in discovering new zones of copper mineralisation in addition to known zones that sub-parallel the strike extension of the historical mine on the EPM, the Delta mine. Additional new zones, which are up to 500m long and 200m wide, will also be Reverse Circulation Drill tested".</p> <p>"Due to the massive size and grades of the copper anomaly, the Directors have elected to commence an aggressive 3,000 metres Reverse Circulation drill program immediately. The initial round of 3,000 metres of a 10,000 metre Reverse Circulation drilling program is the commencement of proving of a significant copper resource to JORC compliance".</p>
24 March 2006	<p>The Company reported the completion of 45 RC holes with 10 more holes planned to complete the program.</p> <p>The Company reported - "Assay reports to date are encouraging with 3 distinct mineralised zones have been identified with Zone 1 appearing to</p>

Date	Announcement
	<p>be up to 70m wide and a 600 metre strike length and open to the north west as this stage and Zone 2 and 3 running parallel with multiple copper mineralised zones over a combined width of 200 metres. This width is expected to be increased when further assay results are received".</p> <p>Further the Company stated - "Our geological consultant has advised a progressive JORC compliance resource will be forthcoming and continuously upgraded to keep shareholders fully informed".</p>
6 April 2006	<p>The Company reported the completion of the first phase of the RC drilling program of 49 holes totalling 3,252 metres which "targeted two main zones of copper mineralisation delineated by an earlier bedrock geochemical program. These holes will be correlated with the results from 34 holes drilled by other companies reported in the announcement of 18 November 2005.</p> <p>At the date of the report results from 15 holes had been received.</p> <p>The Company stated - "At the Double Oxide Central Zone (previously referred to as Zones 2 and 3), wide intervals of low-grade copper-cobalt mineralisation were intersected over a strike length of 700 metres. Although only some analytical results have been received, initial indications are encouraging. For example, drill hole DORC17, the most northern hole drilled, intersected 22 metres @ 1.22% Cu with Holes 17, 18, 19, 20 and 22 on a traverse 50 metres apart along the same line all intersecting copper mineralisation, suggesting the Double Oxide Central Zone indicating multiple mineralised zones over a 200 metres width".</p>
3 May 2006	<p>The Company reported an Inferred and Indicated Resource for the Rocklands and Double Oxide project of 5.2M tonnes at 0.77% Cu.</p>
6 June 2006	<p>The Company reported the presence of gold mineralisation in the Rocklands North and Double Oxide high grade copper zones and the presence of wide intersections of copper mineralisation including 33m @ 3.86% Cu including 17m @ 6.39% Cu and 8m @ 1.36 g/t Au. Further the Company reported a new discovery zone along strike to the north west. The Company's geological consultants advised the mineralisation at Rocklands was associated with a pyrite, chalcopyrite in a quartz carbonate in an ironstone (magnetite) alteration zone similar to the Ernst Henry project,</p>
15 June 2006	<p>The Company reported further wide intersections containing high grade copper and gold mineralisation further along strike. The Company confirmed two zones (The Double Oxide Southern Zone and the Double Oxide Central Zone) 200 metres apart.</p>

Date	Announcement
	<p>Key points in the announcement include:</p> <p>The Double Oxide Southern Zone "was drill tested over a 750 metre strike length. It remains open to the west and at depth. The Company reported - "Native copper was intersected from near surface to a vertical depth of 90 metres which was the depth limit of the drilling".</p> <p>"The Double Oxide Central Zone was extended over 700 metres and over 200 metres wide".</p> <p>"The Double Oxide and Southern Zone intersected a 40-70 metre wide lateral zone of native copper over 625 metre strike length". The presence of thick sequences of native copper was reported in this zone with one "individual one metre assays as high as 28% Cu in some of the +75 micron assays".</p> <p>"Drilling to date on the new discovery including 50 metre spaced infill drilling intersected mineralisation in all holes with assays form a further 12 holes. These 12 holes are the results of in fill drilling and drilling the north west extension of the New Discovery". The New Discovery was named "Las Minerale ".</p>
29 June 2006	<p>The Company reported an Inferred Resource of 59M tonnes @ 2.04% Cu equivalent with the inclusion of cobalt and gold credits.</p> <p>Further, the Company reported - "Above ground indicators together with the magnetometer survey and exploration indicate the probability of a strike length of at least 3km and the likelihood of multiple parallel shear structures. Previous reports by CRA and other between 1987 and 1994 on the Double Oxide identified a wide shear zone containing a number of sub parallel zones of mineralization with a cumulative length of 6km. (See CRA Report in History Text of this Announcement). Exploration by AUM has now identified the shear zone to extend over 1.4km in width with the probability of a further increase in width"".</p> <p>The Company also advised - "We have now varied the program temporarily to test and drill up at least 1000m in strike length with locator holes and test depth of mineralisation with one hole".</p>

EVENTS POST REPORTING DATE	
6 July 2006	The Company requests a trading halt pending "further exploration results".



17 July 2006	<p>The Company listing reinstated on receipt of announcement. The Company made 3 announcements and reported a number of high grade intersections including at the insistence of the ASX with its interpretation of JORC, a revision of the Inferred Resource estimate announced on 29 June 2006 into two categories namely Inferred Resource (25M tonnes @ 1.57% Cu, 818 ppm Co and 0.20 g/t Au) and a Target (34M tonnes).</p> <p>The Company also noted, in addition to the Inferred Resource at Las Minerale an exploration target of 40M to 50M tonnes at approximately the same grade is continuing to be tested by the Company. This exploration target extends the reported inferred mineral resource at depth and along strike.</p>
20 July 2006	<p>The Company reported new drilling (DORC103) extends the strike length of Las Minerale zones by 50m to the northwest and further wide zones of mineralisation including 60m @ 1.67% Cu including 19m @ 3.92% Cu and 2,250 ppm Co.</p>
24 July 2006	<p>The Company reported drill hole DORC 105 extends the Las Minerale mineralised zone a further 100m to the northwest in addition to the 50m extension announced 20 July 2006. DORC105 intersected 41m @ 0.95% Cu, including 21m (down hole) @ 1.32% Cu. DORC106 intersected 115m @ 0.50% Cu including 43m @ 0.86% Cu.</p> <p>The Company reported that drilling to date confirmed continuous copper-cobalt mineralisation over a strike length of 650m.</p> <p>The Company noted – “On completion of drilling the projected northwest extension over a further 350m, the Company will then commence drill testing the projected southeast extension of the Las Minerale mineralised trend. This drill program will commence with drill holes stepped back along the grid line under Drill Hole DORC1, 2 and 3. All three holes intersected Cu mineralisation along the projected south east strike extension of the Las Minerale trend”.</p>

## MT NORMA COPPER SULPHATE PROJECT

### Mt Norma Mining:

The final stages of cutting out the 360 level bench and installation of safety catch-fencing was completed at Mt Norma during the quarter. Stripping down to the ore-body has commenced with drilling and firing. Grade assessment is being carried out during this stage. This will be followed by drilling and grade mapping of the orebody before firing and ore recovery.



Mt Norma Plant Operations:

Production was at a reduced rate this quarter for a number of reasons.

Residual impacts of the contaminated kerosene and resultant organic loss to the vats is still causing problems with the leaching in vats 1-4, although Vat 4 has now responded to the severe acid-treatment it has been given over the last two quarters. Although it has not been practical to undertake this to the same degree with the other vats, we are now in a position to do this on a sequential basis. Recent testing has shown that for the first time since the occurrence of this contamination, the organic in the strip circuit has returned to the phase-separation quality it had been prior to introduction of the contaminated kerosene.

This has meant that all vats have not been able to be employed for all the time, with vats off-line for weeks at a time. The continued reduced performance of the leach vats 1-4 has had an impact on production rates during this quarter, particularly on the rate of Cu transfer in the SX circuit. Further, high rainfall in the early part of this quarter resulted in the need to stop production in order to maintain the integrity of the leach and PLS circuits.

In the plant No. 1 crystalliser was off line for several weeks after the drive arrangement failed. The combined effect of all these occurrences (including services - see below) contributed to over 50% loss of effective production for the quarter. Production of 159,500 kgs of copper sulphate precipitate was achieved for the period. There are currently 356,000 kgs held in the Company's warehouses in Cloncurry to meet international orders at premium prices.

Identification of key areas where production gains can be made and a program of de-bottlenecking the production plant has commenced; expert assistance has been sought to define the optimum solution for this.

Product quality has continued to improve and there has been favourable customer comment following further minor modifications to the finishing process.

Safety:

Further work has been undertaken during this quarter to finalise the improvements to safety around the copper sulphate plant.

Services:

*Water Supply*

Final stages of the telemetry system have been prepared for bringing on line early in the next quarter.

*Refrigeration Plant*

There have been production losses attributed to downtime associated with this plant being off line for maintenance. A back-up unit is expected on site early next quarter

*Generator*

Potential fuel savings indicated in last report have continued with operation of the new Cat generator.

Ore Stocks and Mt Norma Leach Circuit:

Oxide ore from Mt Norma is now approximately 2 months away from delivery. This will need to be supplemented from other ore sources as the availability of oxide ore from the Rocklands project will not be known until drilling and feasibility studies have been completed by the company.

Approximately 5,000 tonne of ore remains stockpiled; this will require crushing prior to use. A trial parcel is planned from the Evening Star mine and the Company has entered into an agreement to purchase 25,000 tonnes of +2% of copper ore from another source, which is currently being delivered to Mt Norma.

A program of vat maintenance, including ripping and turning over the ore surfaces, to assist in overcoming residual contamination effects and placement of new ore into the leach vats, will commence during the next quarter.

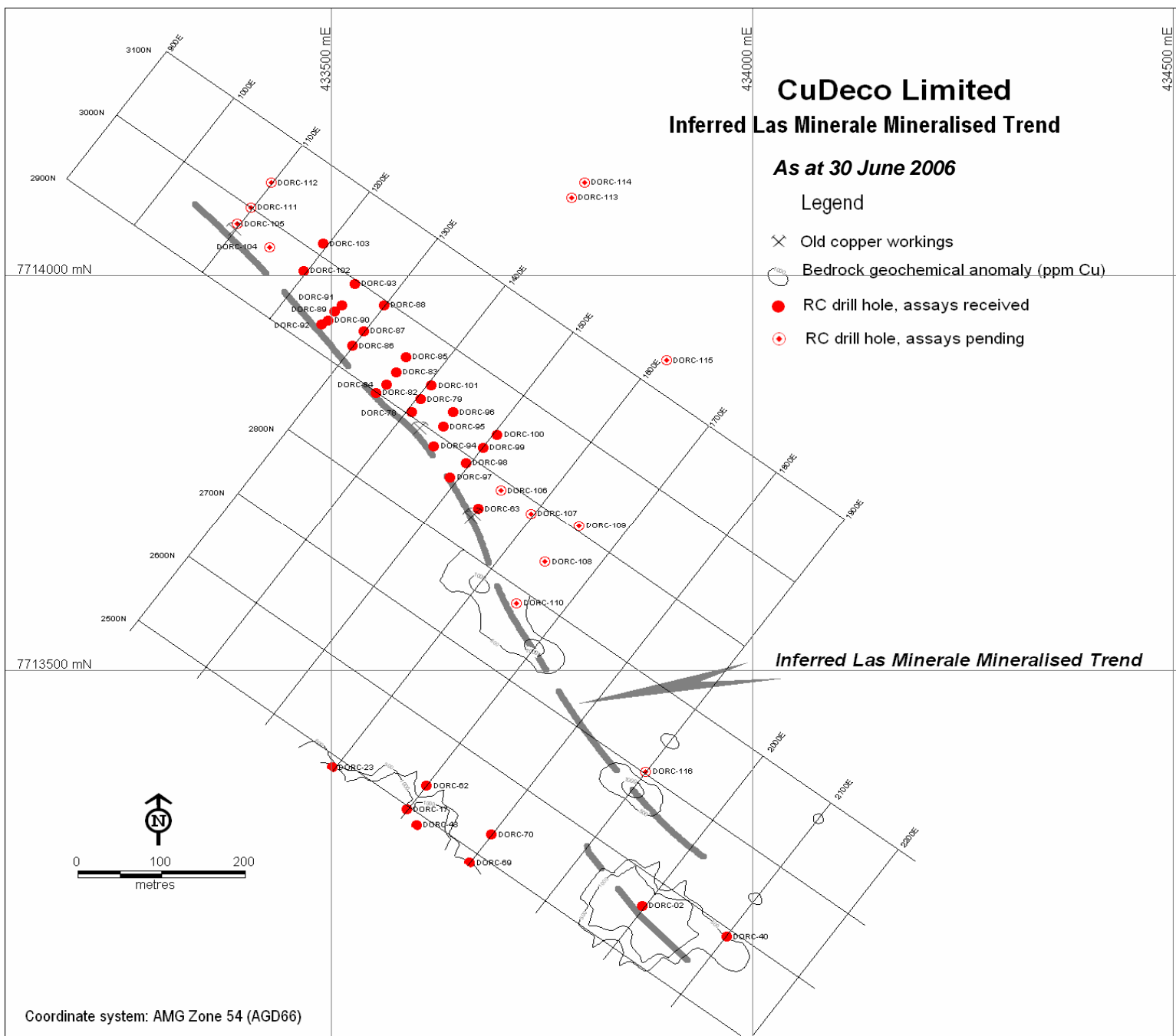
Substituted Kerosene Problem:

The company has continued to discuss compensation with insurance assessors for the supplier of the substituted kerosene inadvertently introduced into the Mt Norma SX circuit.

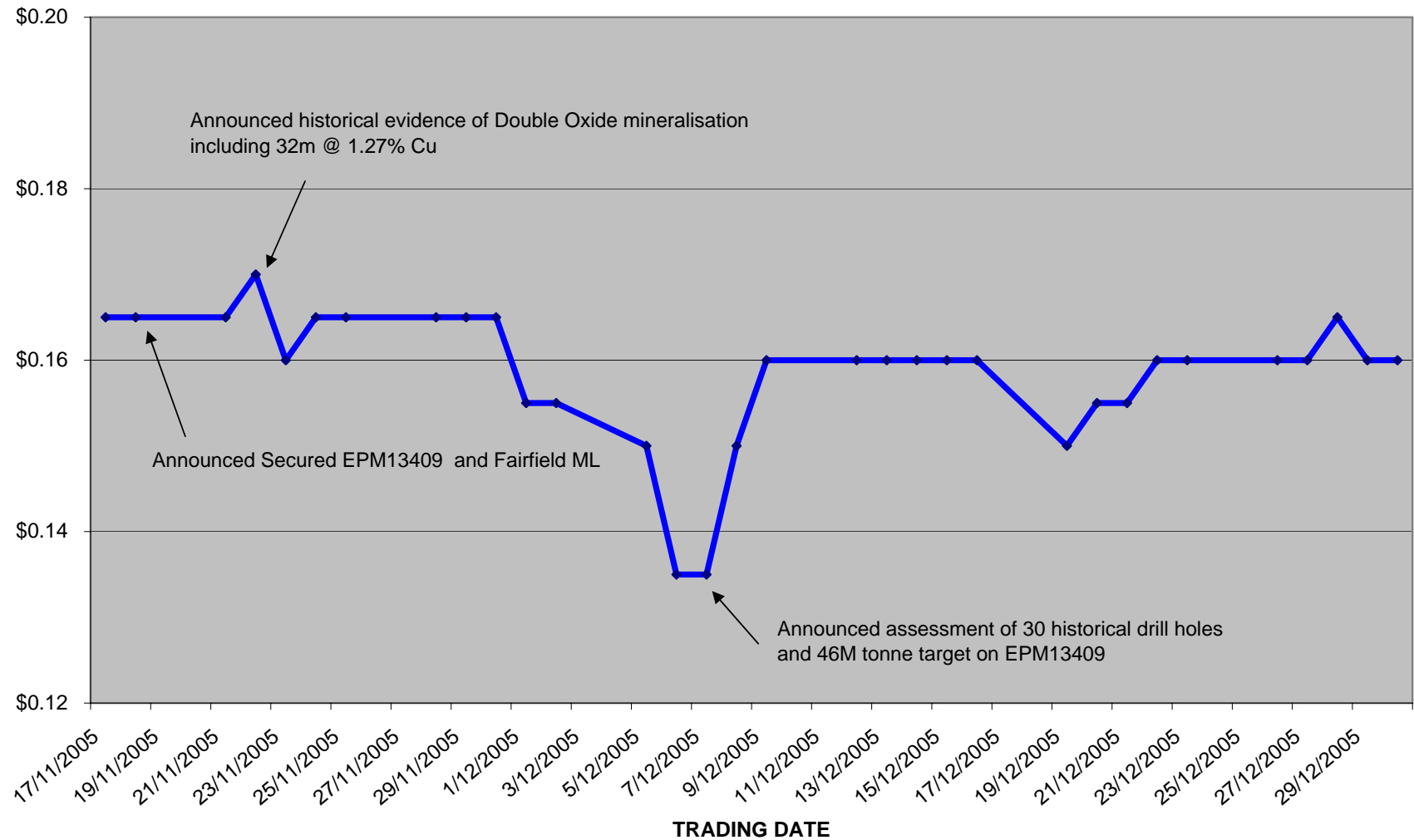


Wayne McCrae  
Chairman  
28 April 2006

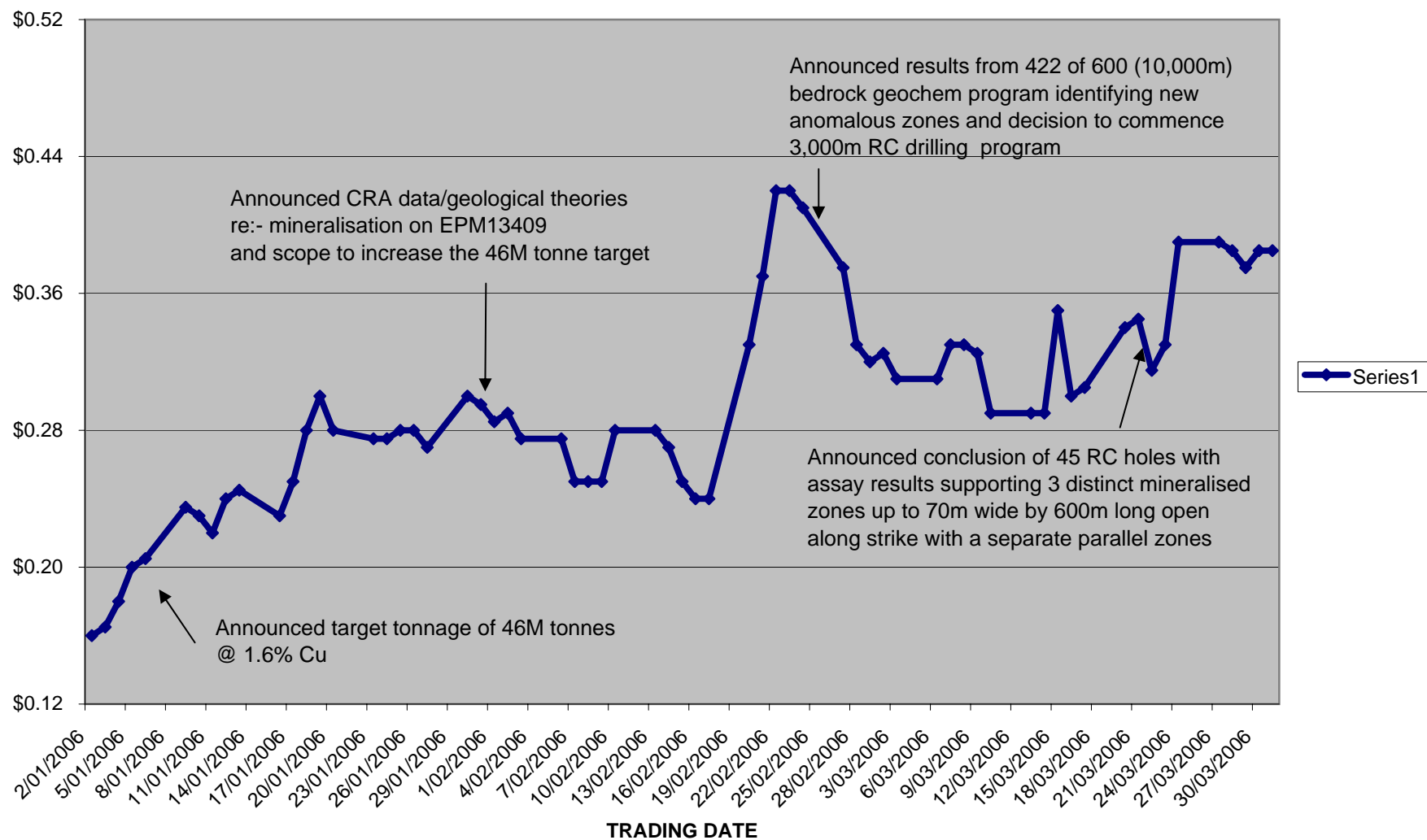
**APPENDIX A**  
**(Location Plan and Share Price Charts)**



**CUDECO LIMITED (formerly Australian Mining Investments)**  
**ASX trading graph/company announcements 17/11/05 TO 30/12/05 (Based on daily closing price)**

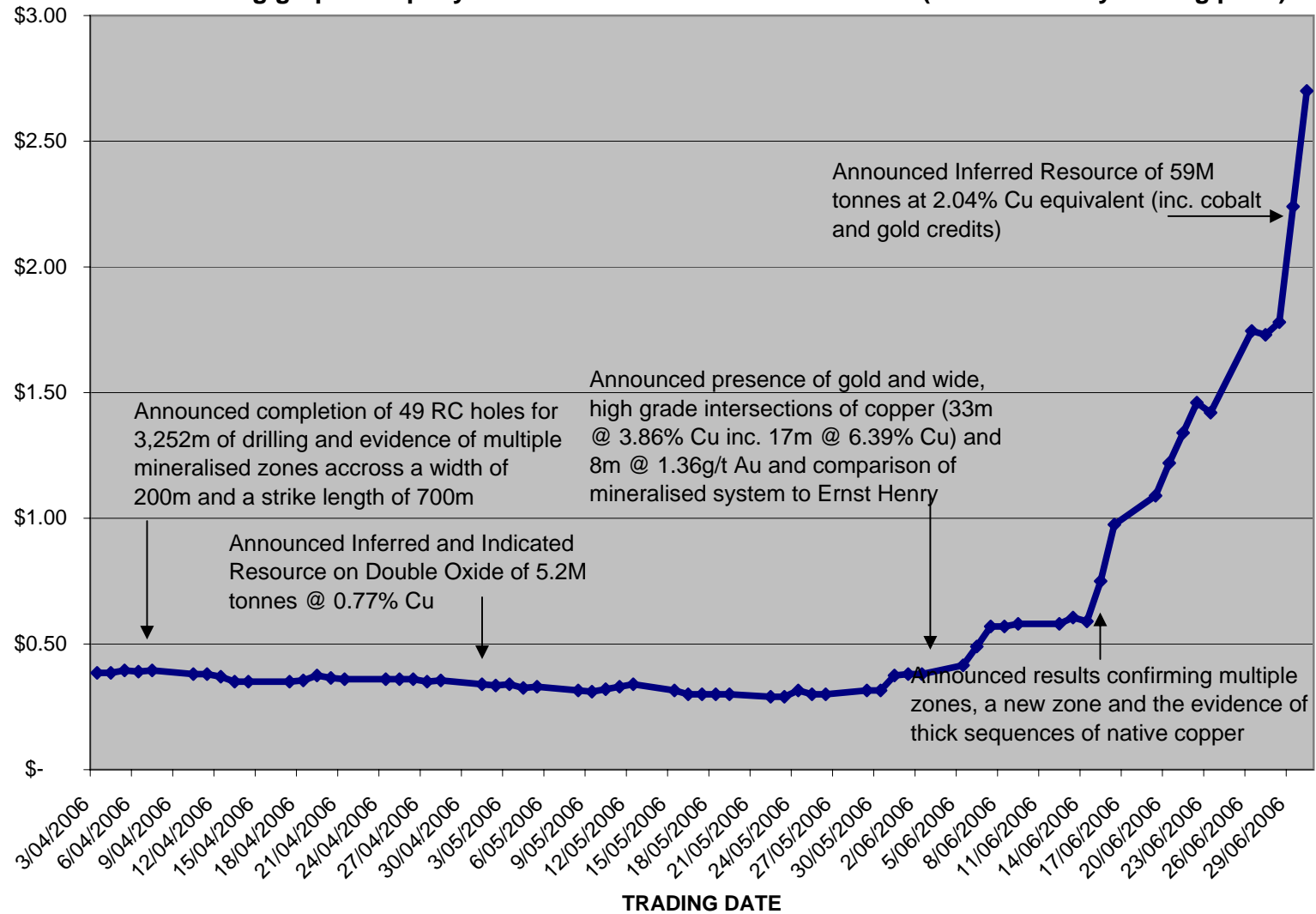


**CUDECO LIMITED (formerly Australian Mining Investments)**  
**ASX trading graph/company announcements 02/01/06 TO 31/03/06 (Based on daily closing price)**



## CUDECO LIMITED (formerly Australian Mining Investments)

ASX trading graph/company announcements 02/04/06 TO 30/06/06 (Based on daily closing price)





**CUDECO LIMITED (formerly Australian Mining Investments)**  
**ASX trading graph/company announcements 28/06/06 TO 26/07/06 (Based on daily closing price)**

