

7 February 2007.

The Manager
Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

**ROCKLANDS COPPER PROJECT UPDATE
PRELIMINARY GEOLOGICAL MODEL – LAS MINERALE**

We wish to advise, the Company's external geological consultants, TerraSearch Ltd and Mineral Resource Consultants Pty Ltd, from their assessment of diamond drilling data are now well advanced in the compilation of a geological model for Las Minerale.

The geological model will provide the focus for the next phases of the RC, Diamond and RAB drilling.

This drilling will:

1. Test the geological model by infilling known zones along strike and at depth further delineating the known copper resource;
2. Explore for extensions east and west along the currently identified mineralised trend;
3. Further define the native copper and oxide resources;
4. Test other geophysical and geochemical targets on the EPM

The drilling focus will be consistent with the Company's systematic approach to exploration and resource delineation.

The model, and the accompanying preliminary geological report, will correlate surface geology with drill hole lithological logs and drilling results. As such the model will assist in defining the geological controls on mineralisation and, by extension, the parameters for resource and reserve calculations.

The consultants estimate following publication of the preliminary geological report a further three to four weeks will be required to process new drilling data and to examine

petrology reports, so that a comprehensive milestone report can be compiled for the Las Minerale Copper Project.

Drilling

Drilling has continued through the wet, on a reduced basis due to the availability of suitable rigs for these conditions.

The RC rig is concentrating on the north western extension of the Las Minerale further testing the on-strike geophysical results.

The diamond rig is now systematically stepping back at 25m intervals on one line with the aim to test the sulphides to a vertical depth of 400m.

The shallow RAB programmes are expected to start in the next two to three weeks.

Metallurgy

The metallurgical study on samples collected from the sulphide zone of Las Minerale has commenced with results expected within the next three to four weeks.

Yours faithfully,



Wayne McCrae,
Chairman.

The information in this report that relates to exploration results is based on information compiled by Mr Malcolm Carson , who is a Member of the Australian Institute of Mining and Metallurgy, Mr Carson is employed by Mineral Resource Consultants Pty Ltd. Mr Carson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Carson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Unit 34, Brickworks Annex, 19 Brolga Avenue, SOUTHPORT 4215
Phone: +617 5503 1955 Facsimile: +617 5503 0288
Email: admin@cudeco.com.au Website: www.cudeco.com.au