

ASX/Media ANNOUNCEMENT

10th March 2008

2,000 metre RC drilling program commences on Cloncurry copper-gold prospects

Key Points

- ➔ 2,000 metres RC drilling program over 12 kilometres of untested geochemical and geophysical copper anomalies within the Cloncurry Project.
- ➔ Two high priority targets (One Tree and Capsize).
- ➔ Ground Magnetic and IP surveys focused on granite- metasediment contacts and known magnetic and soil copper anomalies
- ➔ Exploration is targeting iron oxide-copper-gold and shear-hosted copper oxide deposits

China Yunnan Copper Australia Limited, **(ASX:CYU)** has commenced a Reverse Circulation (RC) drilling program over 12 kilometres of untested geochemical and geophysical copper anomalies within the Cloncurry Project (Figure 1), with a total of 12 holes for approximately 2000 metres of drilling planned.

The Cloncurry exploration program commenced on two high priority targets, the One Tree and Capsize prospects respectively. Field operations commenced 7 days after the ASX listing date of 29 October 2007, 30 kilometres north-west of Quamby on EPM12205 starting with a Ground Magnetism survey (Figure 2).

Contractor Terrasearch completed approximately 292 line kilometres of Ground Magnetism covering the margin of Naraku Granite, which is believed to be responsible for iron oxide-copper-gold (IOCG) mineralisation in the district. In addition to this, approximately 20 line kilometres of Induced Polarisation (IP) was completed by contractor Search in order to detect sub-surface sulphide bodies associated with the magnetic and soil copper anomalies.

The area targeted by the geophysical program on EPM 12205 was the north western

and southern margins of the Naraku Granite in contact with the prospective Corella and Soldiers Cap metasediments (Figure 3). There is no evidence of previous drilling of these zones in spite of strong copper anomalism from a previous soil sampling program on the north western margin of the granite and significant magnetic anomalism on the southern margin of the granite, named Capsize Creek. Both copper anomalous zones have associated geophysical IP chargeability anomalies.

CYU seeks to discover and develop Ernest Henry style copper-gold and shear hosted copper oxide deposits in the Cloncurry and Mt Isa districts with drilling, geochemical and geophysical programs currently underway.

Currently, CYU is also commencing sampling and geophysical programs at the Pentland and Clermont projects, targeting Mt Leyshon style porphyry gold deposits.

Drilling of CYU's FC4 Prospect 6 kilometres north of the copper-gold producing Ernest Henry Mine was completed in January, 2008 and the Company is awaiting assay results.

About CYU

CYU listed on the ASX on 29 October 2007 by issuing 16,000,000 25c shares to raise \$4 million. CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers. CYU is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

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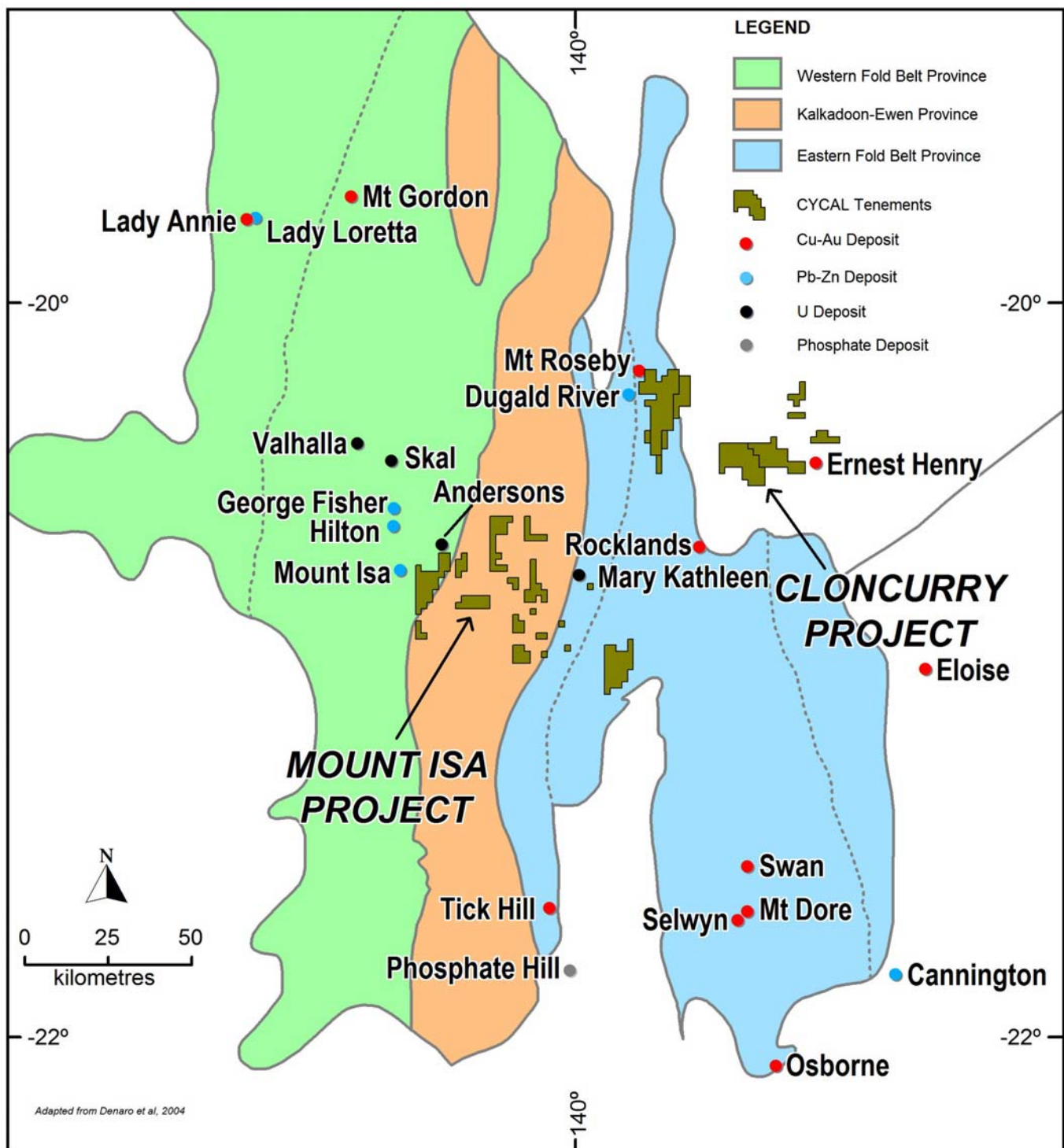


Figure 1. CYU is currently undertaking geophysical and geochemical programs over Mt Isa and Cloncurry projects. Drilling commenced January 2008 and is scheduled to continue throughout the year on all CYU projects.

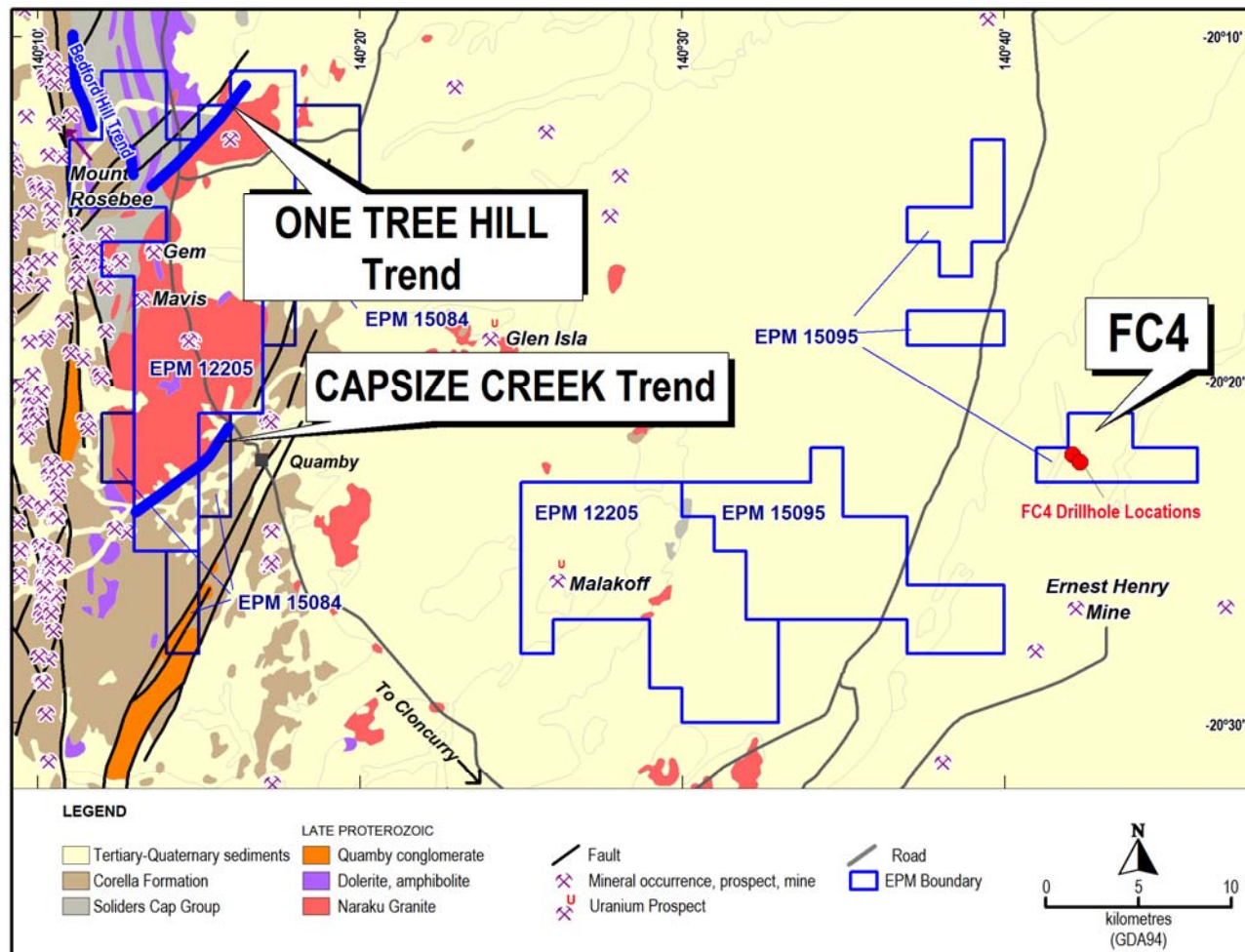


Figure 2. The One Tree Hill and Capsize creek prospects are located 60km north west of Cloncurry. CYU is currently awaiting results from diamond drilling of the FC4 Prospect, 6km north of Ernest Henry.

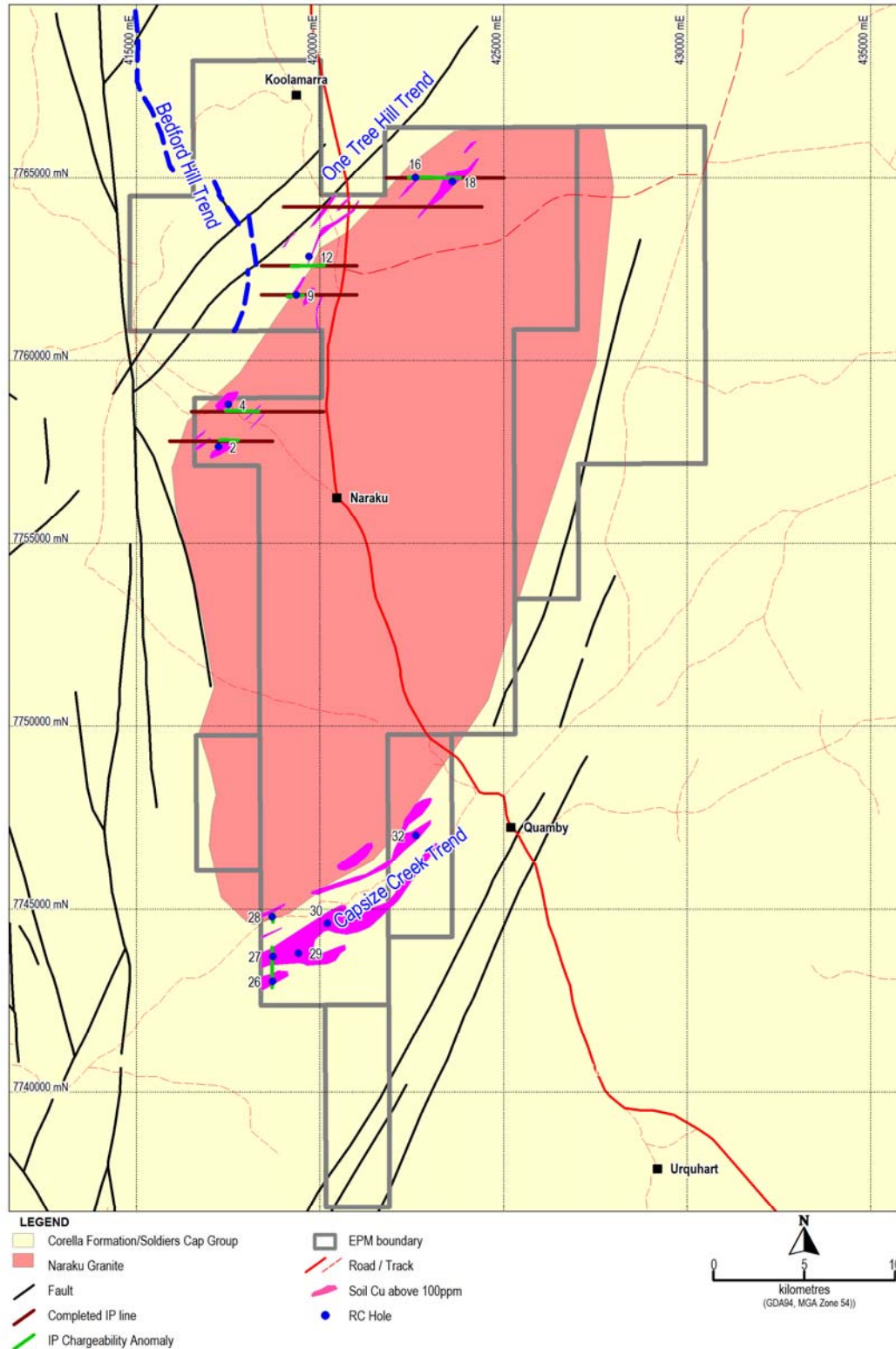


Figure 3. Proposed RC holes drill holes are going to be drilled on targets generated from anomalous copper in soils, IP responses and Ground Magnetics which defined basement structures.