

ASX/MEDIA ANNOUNCEMENT

8th April 2008

CYU drilling intercepts wide, encouraging copper zone in FC4 Prospect at Cloncurry

Key Points

- Over 182 metres of elevated copper values
- Results of one hole received, one pending
- Within a large encouraging copper system
- Vectors to high grade 'core of system' sought

China Yunnan Copper Australia Limited (**ASX:CYU**) has received encouraging results for one of its two diamond drill hole completed on EPM 15095, testing its FC4 target, 6 km north of the Ernest Henry Cu-Au Mine in late January.

Diamond hole CMD001 was targeting an interpreted chargeability anomaly and intersected a wide zone of alteration and copper mineralization. The intersection is uneconomic but suggests the presence of a large copper mineralised system. CYU is in the process of completing a three dimensional geological model of the prospect in combination with existing geophysical datasets to develop a vector to higher grade mineralization and assist in planning the follow up drilling. Hole CMD001 gave the following results;

CMD001: 182.5 metres @ 0.11% Cu from 319 metres to end of hole at 501.5 metres.

including **94m @ metres @ 0.16% Cu from 319 metres to 413 metres.**

In late 2007, reprocessing of existing geophysical induced polarization (IP) data on the FC4 Prospect 6 kilometres north of Xstrata's Ernest Henry mining leases identified a

possible sulphide body at depth. The reprocessing used new 3D inversion software of previously collected 2D data. Following the definition of this anomaly, two test holes were drilled in January, each to a depth of 501.5 metres.

The dimensions of the FC4 Copper Prospect outlined by the IP survey is approximately 400 metres by 500 metres. This type of mineralisation is commonly hosted by magnetic iron rich rocks. Holes CMD001 and CMD002 tested the central and southern portions of the anomaly. The holes were drilled 175 metres apart on an azimuth of 360 dipping 65 degrees north.

CYU engaged iron oxide-copper-gold mineralisation expert Dr Patrick Williams from the Economic Geology Research Unit of James Cook University to review the core and Dr Williams had the following comments;

“The principal lithologies include volcanic (could include subvolcanic intrusive) rocks that strongly resemble the most abundant lithologies at Ernest Henry. They could be direct equivalents though this cannot be proven given the absence of an established stratigraphic sequence for the metavolcanic rocks in the Ernest Henry area.

The mineralization paragenesis in the FC4 Prospect is more reduced than that at Ernest Henry containing pyrrhotite (which is very minor and paragenetically early at Ernest Henry) and with a lower magnetite:sulphide ratio in the sulphide association. It should be noted that several Cloncurry District Cu-Au deposits (Osborne, Eloise, Mount Elliott) contain pyrrhotitic ore zones with low to absent magnetite, so the presence of pyrrhotite should not be regarded as a negative feature.

Is it possible this drilling has just hit the edge of a large/intense potassic alteration zone?”.

A three dimensional alteration and mineralization model will be developed utilizing all drill data to determine the potential for higher grade copper mineralization within this covered system.

In addition to this, copper targets in EPM 12205 will be investigated at the One Tree Hill Prospect 40 kilometers north of Cloncurry. Twelve targets have been drilled by reverse circulation (RC) in a program completed at the end of March 2008. The company will report on the results of this drilling program when the assays are reported by the laboratory.

Further soil and IP lines are proposed with the intention of defining additional drill targets on the One Tree Hill, Capsize Creek and Quamby prospects within the Cloncurry Project

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 geochemical and geophysical programs currently underway. CYU is also commencing sampling and

geophysical programs at the Pentland Project by late April, will be targeting Mt Leyshon style porphyry gold deposits.

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.

The information in this report that relates to Exploration Results is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and a Member of the Australasian Institute of Mining and Metallurgy, and is the Managing Director of China Yunnan Copper Australia Ltd. Mr Beckton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources". Mr Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results relating to the review of the core sample is based on information compiled by Dr Patrick Williams, who is a Member of the Australian Institute of Geoscientists. Dr Williams is an employee of James Cook University. Dr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources". Dr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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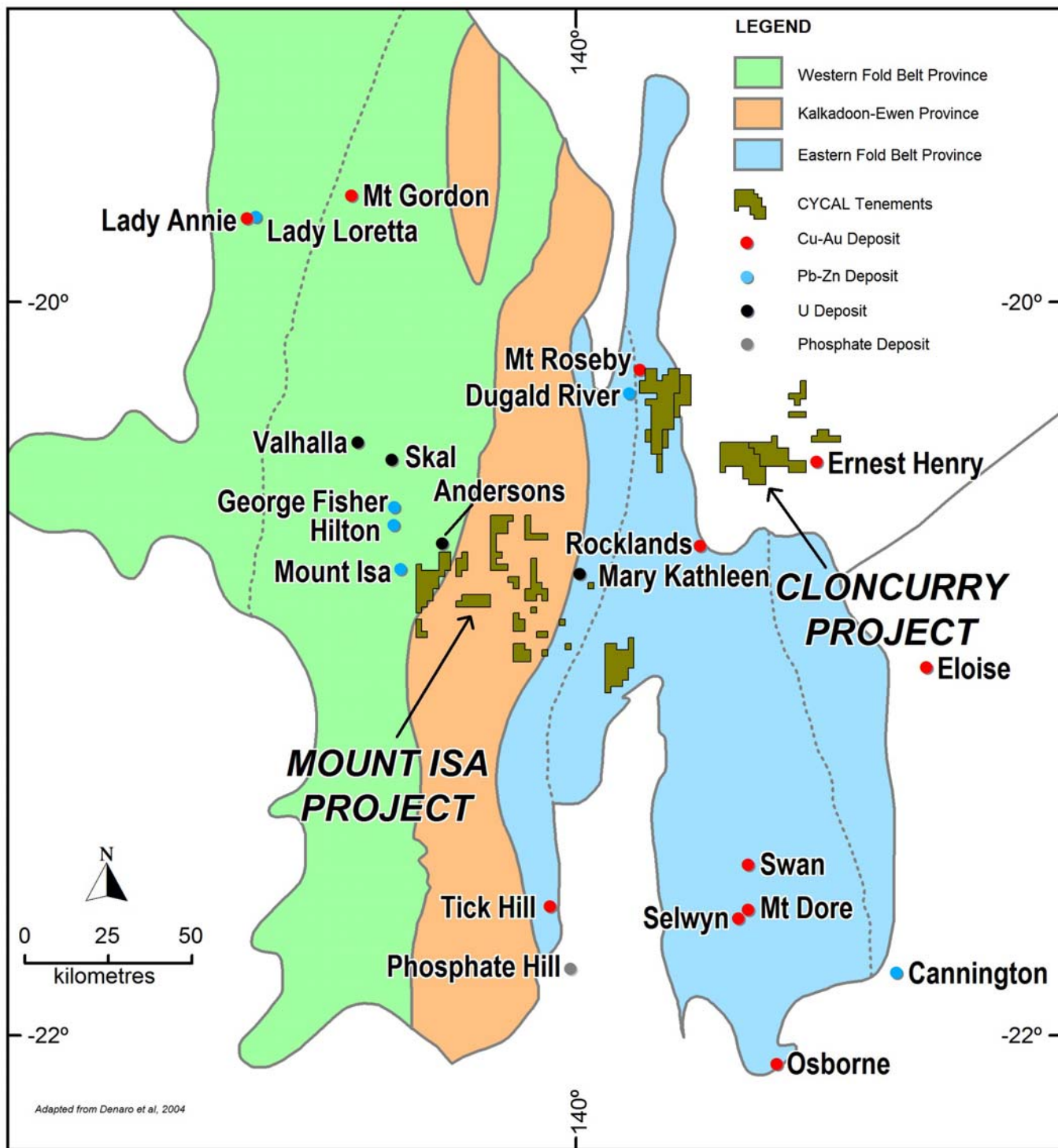


Figure 1. CYU is currently undertaking geophysical and geochemical programs over Mt Isa and Cloncurry Projects.

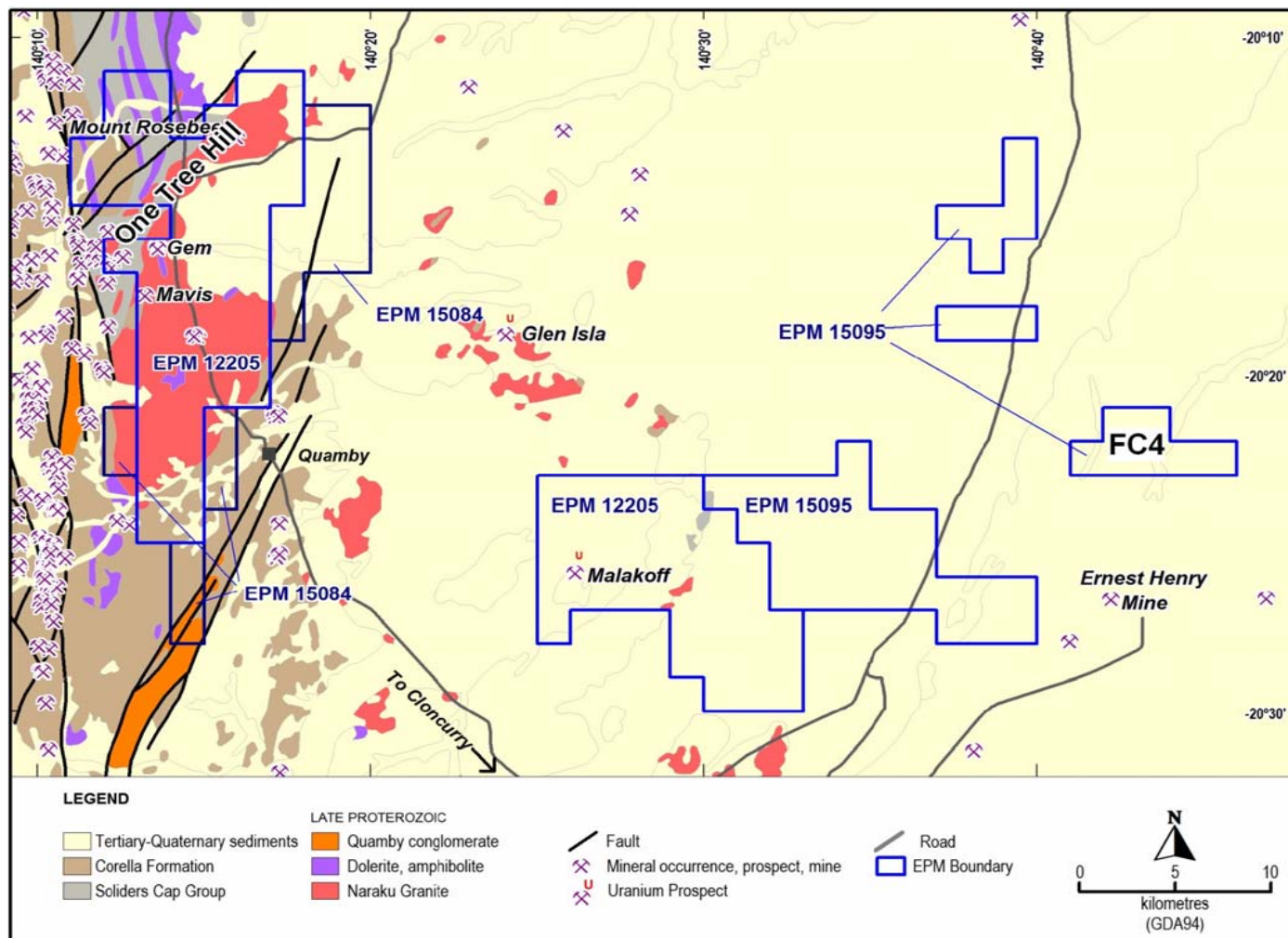


Figure 2. The FC4 Prospect is less than 6 kilometres north of Ernest Henry mine leases. The One Tree Hill prospect is also depicted. CYU is currently undertaking geophysical and geochemical programs over the One Tree Hill prospect.