

China Yunnan Copper Australia Ltd
ACN 070 859 522

NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

Date of Meeting: 26 November 2010
Time of Meeting: 9.30 am (Brisbane time)
Place of Meeting: Level 5, 60 Edward St, Brisbane

This Notice of Annual General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of **CHINA YUNNAN COPPER AUSTRALIA LTD** ACN 070 859 522 (**Company**) will be held at Level 5, 60 Edward St, Brisbane, on Friday 26 November 2010, at 9.30 am (Brisbane time).

AGENDA

ORDINARY BUSINESS

Financial Reports

To receive and consider the Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the accounts for the Consolidated Entity for the financial year ended 30 June 2010.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

“That, the Remuneration Report for the year ended 30 June 2010 (as set out in the Directors' Report) is adopted.”

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Resolution 2 - Re-Election of Liang Zhong as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That in accordance with Article 38.1(c) of the Company's Constitution, Liang Zhong, who retires in accordance with the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company.”

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

BY ORDER OF THE BOARD

Paul Marshall
Company Secretary
22 October 2010

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum is provided to Shareholders of **CHINA YUNNAN COPPER AUSTRALIA LTD** ACN 070 859 522 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 5, 60 Edward Street, Brisbane, on Friday 26 November 2010, at 9.30am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

This Explanatory Memorandum provides Shareholders with all information known to the Company that is material to the decision on how to vote on the Resolutions to be put to the Meeting, other than such information that has been previously disclosed by the Company to its Shareholders.

CONSIDER THE COMPANY'S ANNUAL FINANCIAL REPORT

The Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cashflows and notes to and forming part of the accounts for the Consolidated Entity for the financial year ended 30 June 2010 were released to the ASX Limited on 24 September 2010. The Company's Annual Financial Report is placed before the shareholders for discussion. No voting is required for this item.

The Annual Report is available for download from the company website at www.cycal.com.au

RESOLUTION 1 - REMUNERATION REPORT

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 - RE-ELECTION OF LIANG ZHONG AS A DIRECTOR

Mr Zhong was appointed to the Board of Directors on 30 January 2008. In accordance with the Company's Constitution, Mr Zhong will retire at the Annual General Meeting, and will stand for re-election.

Mr Liang Zhong

Non-Executive Co-Chairman, BA, M Economics, Chinese CPA

Mr Liang Zhong is Vice General Manager of Yunnan Copper Industry (Group) Co. Limited. His responsibilities include financial control and investment activities of Yunnan Copper Industry (Group) Co. Limited.

Mr Zhong has 27 years experience in the mining and metallurgical industry in China. He worked for major companies including Yunnan Tin Corporation Limited. and Shenzhen Tianyi Industry Co., Limited. before being appointed to his current position with Yunnan Copper Industry (Group) Co. Limited in 1996. He has extensive knowledge and experience in corporate financing, equity raisings, management accounting, and investment.

Mr Zhong has a BA of Economics from Yunnan University, China and a Master degree in Economics from Xiamen University, China. He is a qualified Chinese Chartered Public Accountant and Chinese Senior Accountant.

The Directors (with Mr Zhong abstaining) recommend that you vote in favour of this Ordinary Resolution.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Paul Marshall (Company Secretary):

60 Edward Street, Santos House, Level 5 Brisbane QLD
Telephone: 07 3303 0653

China Yunnan Copper Australia Limited

ABN 29 070 859 522

LODGE YOUR VOTE



By mail:
China Yunnan Copper Australia Limited
GPO BOX 5268
Brisbane QLD 4001



By fax: 07 3303 0601



All enquiries to: Telephone: 07 3303 0653



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SHAREHOLDER VOTING FORM

I/We being a member(s) of China Yunnan Copper Australia Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9:30am on Friday, 26 November 2010, at Level 5, 60 Edward Street, Brisbane and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolution 1

Adoption of Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Re-election of Liang Zhong
as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 9:30am on Saturday, 24 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:



by mail:

China Yunnan Copper Australia Limited
GPO BOX 5268
Brisbane QLD 4001



by fax:

07 3303 0601



by hand:

delivering it to China Yunnan Copper Australia Limited,
Level 5, 60 Edward Street, Brisbane, QLD 4000

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.