

CHINA YUNNAN COPPER AUSTRALIA LIMITED

ASX Announcement

9 December 2010

Completion of Share Purchase Plan

China Yunnan Copper Australia Limited (“**CYU**”) is pleased to announce the successful completion of the Company’s Share Purchase Plan (“**Plan**”).

Under the Plan eligible shareholders were invited to subscribe for up to \$15,000 worth of fully paid ordinary shares in CYU at a price of \$0.15 per fully paid ordinary share (“**Share**”). The Plan was underwritten by Patersons Securities Limited (“**Patersons**”) to the extent of \$1.5 million.

The Plan closed at 7.00pm on 6 December 2010. The Company is pleased to advise that as at the close, eligible shareholders had subscribed for 5,833,334 Shares at \$0.15 per Share, raising \$875,000. Subject to the terms of the Underwriting Agreement with Patersons, the remaining 4,166,666 shares the subject of the Underwriting Agreement will be taken up by Patersons’ nominees, bringing the total raising to \$1.5 million before costs of the issue.

The net proceeds will be used to fund ongoing project appraisal and evaluation work on CYU’s portfolio of projects including:

- Mt Isa Area – Including Mary Kathleen JV with Goldsearch Ltd.
 - the Mount Dorothy Copper / Cobalt Project; and
 - the Elaine Dorothy Uranium / REE / Copper Project
- Pentland Area – Including Pentland Gold JV with Activex Ltd.
 - Stanley’s Hope Gold Project (100% CYU);
- Chile:
 - Initial drilling program on the Humito Copper / Porphyry Project;
- China and Laos:
 - Review of projects under a memorandum of understanding with CYU’s cornerstone investor Yunnan Copper Industry Group to undertake regional exploration and project generation work in Yunnan Province, China and Laos.
- Working Capital:
 - To provide general working capital.

CYU wishes to thank all shareholders who participated in the Share Purchase Plan for their continued support of the Company and looks forward to providing updates in relation to the above projects.

Allotment of securities is scheduled to occur on or around 20th December 2010.

The holding statements for shares and new options are expected to be dispatched on or around 22nd December 2010.

About CYU:

CYU is an Australian company formed to explore for and develop minerals projects in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd (YCI), is one of China's largest copper producers. YCI's largest shareholder is Chinalco.

CYU's principle focus is to identify commercial copper sulphide deposits and develop these into profitable mining operations. In addition CYU has goals of resource definition and development for copper, gold and uranium.

Current activities include:

- Currently drilling Mount Dorothy sulphide copper prospect, Mount Isa district, North Queensland;
- Currently drilling a series of shallow covered magnetic targets at the Humitos Copper Porphyry project in Copiapo district, Chile;
- Drilling a known sulphide zone at the Elaine Copper Rare Earth Element – U prospect, subsequent to the Mount Dorothy programme;
- Continued review of projects under Memorandum of Understanding with CYU's cornerstone investor YCI to undertake regional exploration and project generation work in Yunnan Province, China and Laos; and
- Proposed Reverse Circulation drilling in 2011 at Stanley's Hope Gold and the Pentland JV with Activex Ltd, Pentland, North East Queensland.

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