



## **ASX/Media Announcement**

22<sup>nd</sup> March 2011

### **Further Drilling Extends Rare Earth – Copper – Cobalt Discovery – Mount Dorothy, Mary Kathleen JV with Goldsearch Ltd**

- Broad Yttrium oxide ( $Y_2O_3$ ) and Total Rare Earth Oxide (TREO) mineralisation grading

MDD010: 10 metres @ 1,099ppm (1.1kg/t)  $Y_2O_3$ +TREO from 43 metres,  
1.6 metres @ 1,475ppm (1.48kg/t)  $Y_2O_3$ +TREO from 131 metres  
(OPEN)

MDD011: 6 metres @ 1,045ppm (1.05kg/t)  $Y_2O_3$ +TREO from 146 metres  
associated with 0.17% copper, 196ppm cobalt and 10g/t silver.

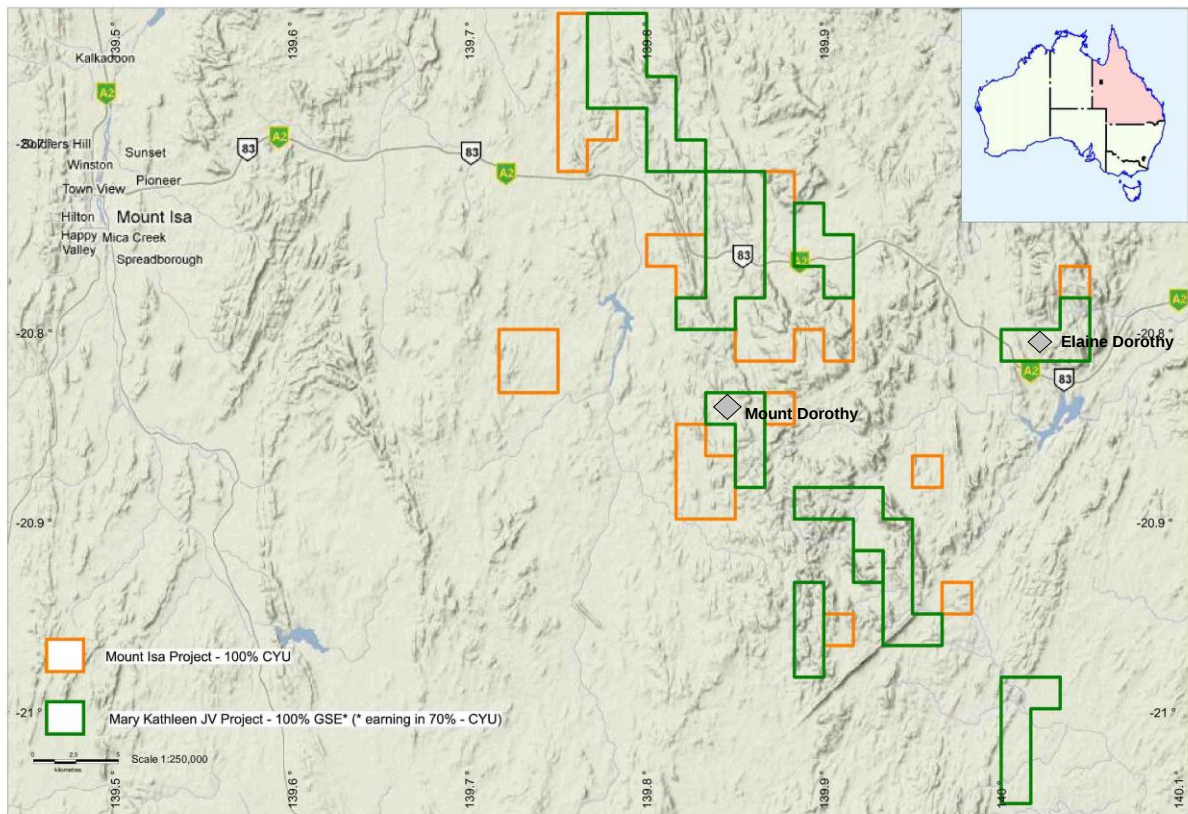
- Broad copper-cobalt sulphide mineralisation grading

MDD011: 17 metres @ 1.03% copper, 109ppm cobalt from 105 metres  
within 21 metres @ 0.84% copper, 108ppm cobalt from 104 metres

MDD011: 7.5 metres @ 2.33% copper, 159ppm cobalt from 155.50 metres  
within 32 metres @ 0.65% copper, 141ppm cobalt from 131 metres

- Results see an increase in width and metal content down-dip (MDD011) from previously reported MDD005: 28 metres @ 0.18% copper and 98ppm cobalt from 63 metres and 16 metres @ 1,249ppm (1.24kg/t) Y+HREE (oxide equivalent = 1,864ppm  $Y_2O_3$ +TREO) from 71 metres.
- Next step is to target growth on surface, along strike and at depth targeting SAM (sub-audio magnetics) geophysical anomalies continuing to the north under cover.

**China Yunnan Copper Australia Limited** (renaming: Chinalco Yunnan Copper Resources Limited) (**ASX: CYU**) and Mary Kathleen Joint Venture partner **Goldsearch Limited** (**ASX: GSE**) today announce the results of the recently completed follow up diamond drill program targeting the geometry and continuation of potential copper + cobalt + yttrium + heavy rare earth oxide mineralisation at the **Mount Dorothy copper+cobalt prospect**, Mary Kathleen Joint Venture, Northwest Properties, Queensland. The Northwest Properties comprise CYU's 100% owned Cloncurry North and Mount Isa projects and the **Mary Kathleen Joint Venture** area with joint venture partner Goldsearch Limited (**ASX: GSE**) (Figure 1).



**Figure 1.** Tenement location plan of Mount Isa Project (CYU 100%) and Goldsearch Limited Joint Venture Project. Mount Dorothy is located approximately 50 kilometres east of Mount Isa.

A follow up three hole (MDD009 to MDD011) diamond drill program totaling 382.5 metres was undertaken at the Mount Dorothy prospect in February 2011. These holes were designed to test the up-dip and down-dip extension of previously reported heavy rare earth and copper + cobalt intersections in MDD005 of **16 metres @ 1,864ppm (1.86kg/t) Y<sub>2</sub>O<sub>3</sub>+TREO from 71 metres** and **28 metres @ 0.18% copper and 98ppm cobalt from 63 metres**. Hole MDD009 was abandoned due to adverse drilling conditions and was re-drilled as MDD010. Drill collar details are listed in **Table 1** and locations are shown in **Figure 2**.

**Table 1:** *Drillhole location information. Datum in GDA94 Z54 UTM co-ordinates and Azimuth is True*

| Hole ID | East   | North   | RL  | Azi | Dip | Depth |
|---------|--------|---------|-----|-----|-----|-------|
| MDD009* | 380650 | 7695048 | 438 | 120 | -60 | 48.2  |
| MDD010  | 380649 | 7695049 | 438 | 120 | -60 | 132.6 |
| MDD011  | 380619 | 7695066 | 437 | 120 | -85 | 201.7 |

\*MDD009 abandoned – MDD010 redrill

All assay results have been returned from the drill program with significant intersections for Y<sub>2</sub>O<sub>3</sub> + TREO presented in **Table 2** and copper + cobalt in **Table 3**.

In MDD010 the breccia body pinches to only a few metres in width with no surficial expression noted. MDD010 has returned significant intersections of **10 metres @ 1,099ppm (1.1kg/t) Y<sub>2</sub>O<sub>3</sub>+TREO from 43 metres** representing the up-dip extension

from MDD005 and a newly identified open zone of **1.6 metres @ 1,475ppm (1.48kg/t) Y<sub>2</sub>O<sub>3</sub>+TREO from 131 metres (OPEN AT DEPTH).** In addition MDD010 also returned significant copper intersection of **12 metres @ 0.52% copper and 34ppm cobalt from 53 metres.**

In MDD011, adverse drilling conditions relating to extensive clay and sand zones has resulted in partial core loss. Within the main zone composite samples of up to 5 metres were collected in areas of poor recovery with all results reported as a length weighted average of the intersections. MDD011 has returned significant intersections of **6 metres @ 1,045ppm (1.05kg/t) Y<sub>2</sub>O<sub>3</sub>+TREO from 146 metres** representing the down-dip extension from MDD005. In addition a significant increase in copper + cobalt grade was also returned – **17 metres @ 1.03% copper and 109ppm cobalt from 105 metres** and **7.5 metres @ 2.23% copper and 159ppm cobalt from 155.5 metres** including **1.5m @ 9.84% copper and 251ppm cobalt from 155.5m.** Of note in MDD011 is a significant elevation in silver and gold assay values with depth, with individual assays of up to 157g/t silver and 0.28g/t gold returned.

**Table 2: Summary of Significant Yttrium & Rare Earth Oxide Intersections – Mount Dorothy Prospect:**

| Hole ID | From (m)     | To (m)       | Width (m)   | Y <sub>2</sub> O <sub>3</sub> +TREO (ppm) | % LREO    | % HREO+Y <sub>2</sub> O <sub>3</sub> |
|---------|--------------|--------------|-------------|-------------------------------------------|-----------|--------------------------------------|
| MDD010  | 5.6          | 13.0         | 7.4         | 837                                       | 87        | 13                                   |
| inc.    | 7.0          | 9.0          | 2.0         | 1,222                                     | 88        | 12                                   |
| inc.    | 11.0         | 13.0         | 2.0         | 1,140                                     | 91        | 9                                    |
| MDD010  | 28.0         | 30.0         | 2.0         | 1,121                                     | 57        | 42                                   |
| MDD010  | 38.0         | 54.0         | 16.0        | 969                                       | 46        | 53                                   |
| inc.    | <b>43.0</b>  | <b>53.0</b>  | <b>10.0</b> | <b>1,099</b>                              | <b>42</b> | <b>58</b>                            |
| MDD010  | 59.0         | 63.0         | 4.0         | 539                                       | 75        | 25                                   |
| MDD010  | 71.0         | 72.0         | 1.0         | 1,803                                     | 91        | 9                                    |
| MDD010  | 80.0         | 81.0         | 1.0         | 1,071                                     | 87        | 12                                   |
| MDD010  | 105.0        | 121.0        | 16.0        | 524                                       | 77        | 23                                   |
| inc.    | 113.0        | 114.0        | 1.0         | 1,956                                     | 91        | 10                                   |
| MDD010  | <b>131.0</b> | <b>132.6</b> | <b>1.6</b>  | <b>1,475</b>                              | <b>89</b> | <b>11</b>                            |
| MDD011  | 27.0         | 29.0         | 2.0         | 549                                       | 77        | 23                                   |
| MDD011  | 66.0         | 70.0         | 4.0         | 892                                       | 48        | 52                                   |
| inc.    | 67.0         | 68.0         | 1.0         | 1541                                      | 43        | 57                                   |
| MDD011  | 120.0        | 123.0        | 3.0         | 1,709                                     | 24        | 76                                   |
| inc.    | 121.0        | 123.0        | 2.0         | 2,087                                     | 23        | 77                                   |
| MDD011  | 139.0        | 160.0        | 21.0        | 717                                       | 16        | 84                                   |
| inc.    | <b>146.0</b> | <b>152.0</b> | <b>6.0</b>  | <b>1,045</b>                              | <b>15</b> | <b>85</b>                            |
| inc.    | 155.5.0      | 157.0        | 1.5         | 1,435                                     | 12        | 88                                   |
| MDD011  | 181.0        | 186.0        | 5.0         | 871                                       | 84        | 16                                   |
| inc.    | 181.0        | 183.0        | 2.0         | 1,515                                     | 89        | 11                                   |
| MDD011  | 190.0        | 196.0        | 6.0         | 854                                       | 88        | 12                                   |
| inc.    | 190.0        | 192.0        | 2.0         | 1,725                                     | 92        | 8                                    |

\* 500ppm Y<sub>2</sub>O<sub>3</sub>+TREO (total rare earth oxide) cut-off with a maximum of 3m internal dilution

\*\* TREO is the sum of REE assays converted to REO (rare earth oxide) for Ce, La, Dy, Er, Eu, Gd, Ho, Lu, Nd, Pr, Sm, Tb, Tm, Yb and Y.

\*\*\* LREO = Ce, La, Nd, Pr, Sm,

HREO = Dy, Er, Eu, Gd, Ho, Lu, Tb, Tm, Yb and Y.

**Table 3: Summary of Significant Copper + Cobalt Intersections – Mount Dorothy Prospect:**

| Hole ID | From (m)     | To (m)       | Width (m)   | Cu (%)      | Co (ppm)   | Comment                |
|---------|--------------|--------------|-------------|-------------|------------|------------------------|
| MDD010  | 35.0         | 37.0         | 2.0         | 0.11        | 29         |                        |
| MDD010  | 44.0         | 48.0         | 4.0         | 0.15        | 141        | poor recovery          |
| MDD010  | 53.0         | 65.0         | 12.0        | 0.52        | 34         |                        |
| inc.    | 53.0         | 61.0         | 8.0         | 0.66        | 33         |                        |
| MDD011  | 65.0         | 68.0         | 3.0         | 0.46        | 771        |                        |
| inc.    | 66.0         | 68.0         | 2.0         | 0.60        | 752        |                        |
| MDD011  | 73.0         | 90.0         | 17.0        | 0.30        | 31         |                        |
| inc.    | 76.0         | 79.0         | 3.0         | 0.77        | 51         |                        |
| MDD011  | 97.0         | 100.0        | 3.0         | 0.13        | 17         |                        |
| MDD011  | 104.0        | 125.0        | 21.0        | 0.84        | 108        | poor recovery 107-118m |
| inc.    | <b>105.0</b> | <b>122.0</b> | <b>17.0</b> | <b>1.03</b> | <b>109</b> | poor recovery 107-118m |
| MDD011  | 131.0        | 163.0        | 32.0        | 0.65        | 141        | poor recovery 135-155m |
| inc.    | 155.5        | 156.0        | 1.5         | 9.84        | 251        |                        |
| inc.    | <b>155.5</b> | <b>163.0</b> | <b>7.5</b>  | <b>2.33</b> | <b>159</b> |                        |

\* 0.10% copper cut-off with a maximum of 3m internal dilution.

The results indicate that the copper and cobalt grades and widths improve with depth (**Figure 3**). The mineralisation is similar in style to the high grade intersection in MDD006 (**Figure 4**). This suggests a plunge to the northeast on the mineralised body.

Yttrium and rare earth oxide mineralisation appears associated with the secondary copper-cobalt mineralisation (Section A-A') and in some part with the mineralised breccia (Section B-B'). For background and to indicate possible economic implications, the prices of HREO, based on FOB China (US\$/kg - source: metal-pages.com as at 21<sup>st</sup> March 2011) are detailed as: Y<sub>2</sub>O<sub>3</sub> = \$125 - \$130/kg, Dy<sub>2</sub>O<sub>3</sub> = \$512 - \$522/kg, Eu<sub>2</sub>O<sub>3</sub> = \$810 - \$830/kg, Gd<sub>2</sub>O<sub>3</sub> \$128 - \$135/kg, Nd<sub>2</sub>O<sub>3</sub> \$168 - \$172/kg. For comparison the price of Copper approximates \$9.50/kg.

CYU Managing Director Jason Beckton said "These results extend the rare earth + copper + cobalt zone to the north and at depth. Additional drilling is planned particularly to the north where the zone continues under shallow cover. This cover obscured from previous explorers of what we now know to be a growing rare earth + copper + cobalt deposit."

#### Competent Person's Statement

*The information regarding to Exploration Activities in this report that relates to the Mount Dorothy (EPM 14019) prospect is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of China Yunnan Copper Australia Ltd. Mr Hatcher 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 Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



## About CYU

CYU is an Australian company focused on exploring for and developing minerals 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.

Apart from the Mt Dorothy and Elaine REE+ Copper exploration program other current activities include;

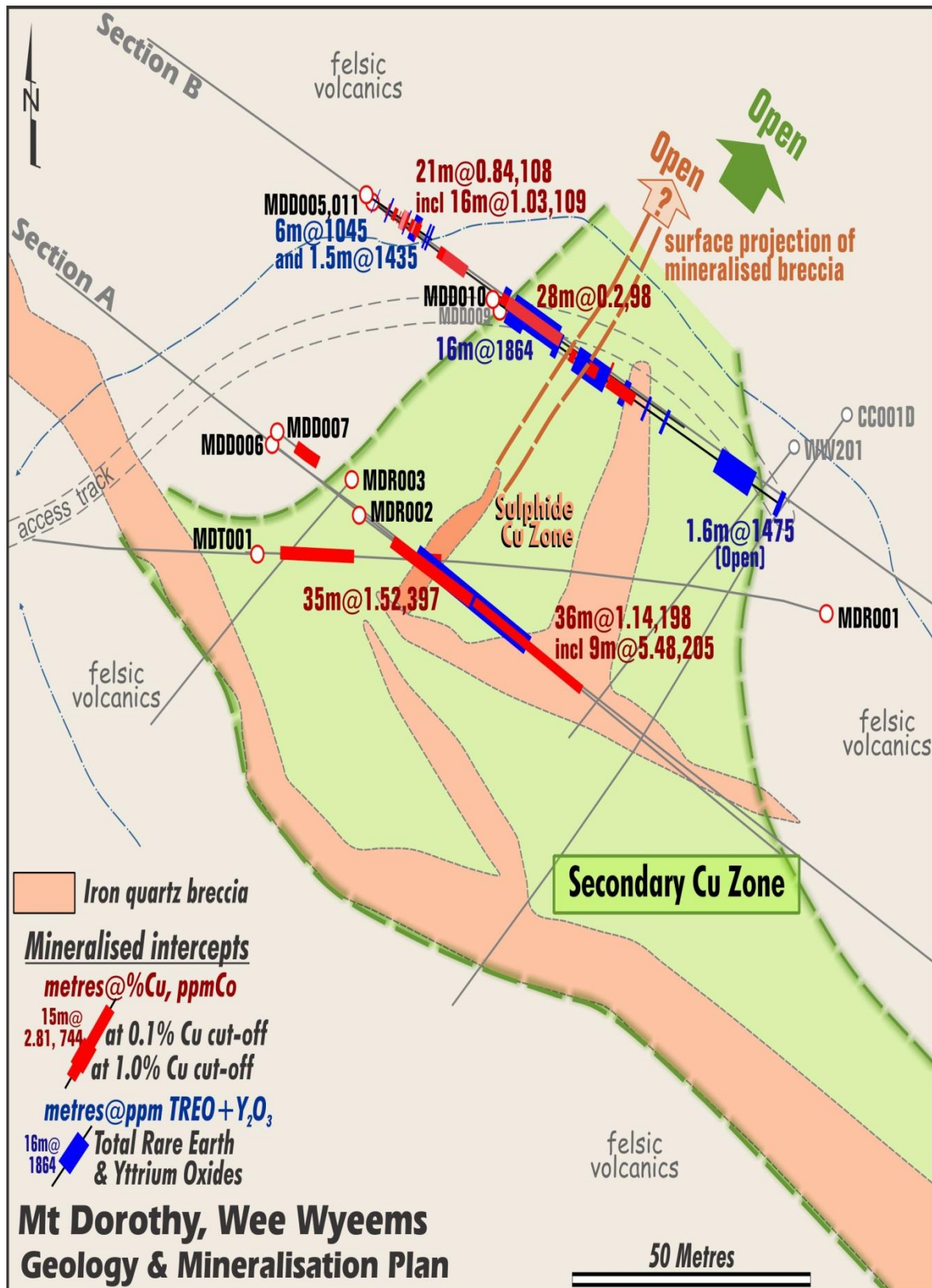
- 3D geological modelling and drill hole targeting of a deep seated porphyry system at the Humitos Copper Porphyry project in Copiapo district, Chile. Chile is also focus for project generation.
- Finalisation of project acquisition in Northern Laos as part of the Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province, China and Laos.

For further information please contact;

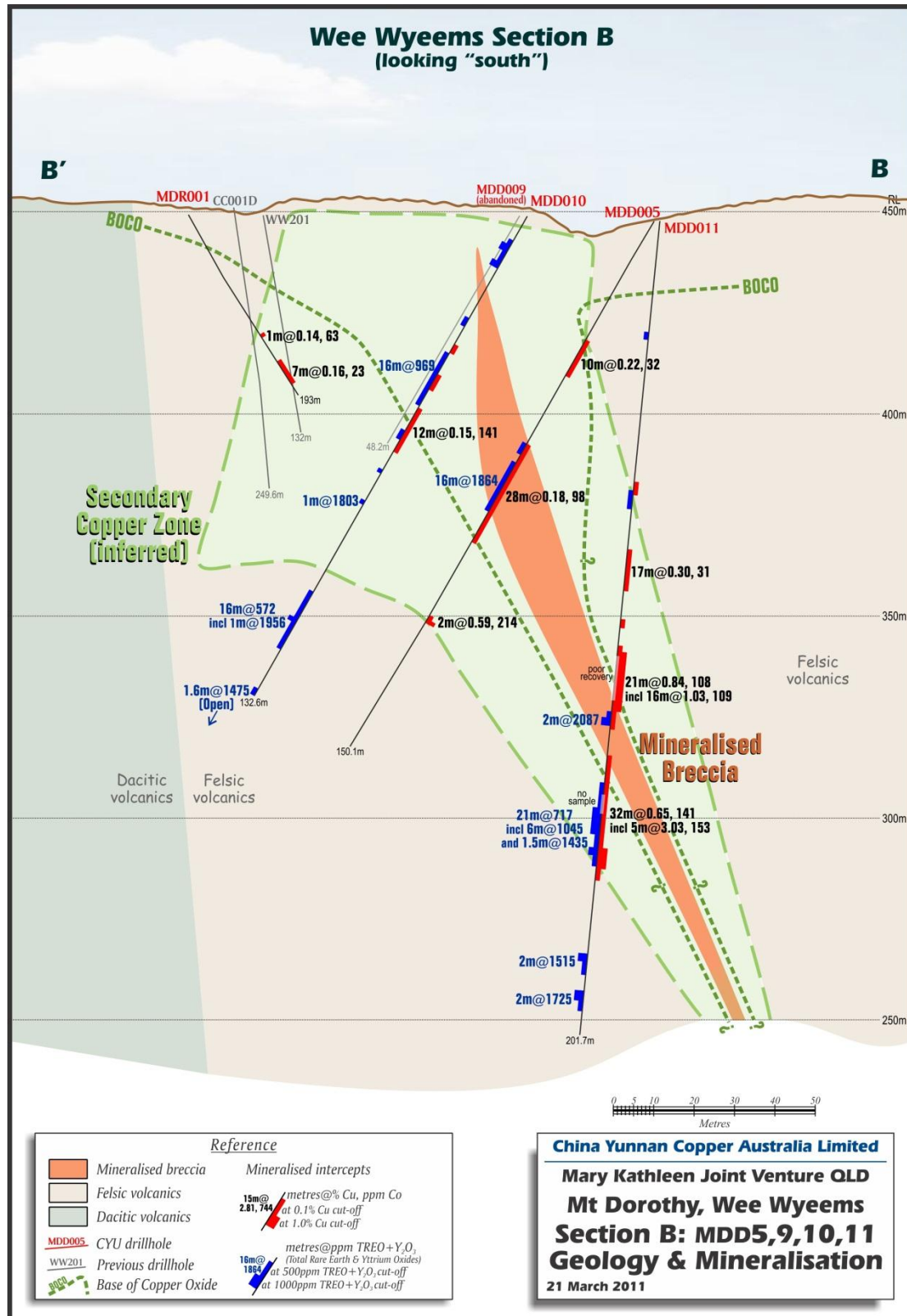
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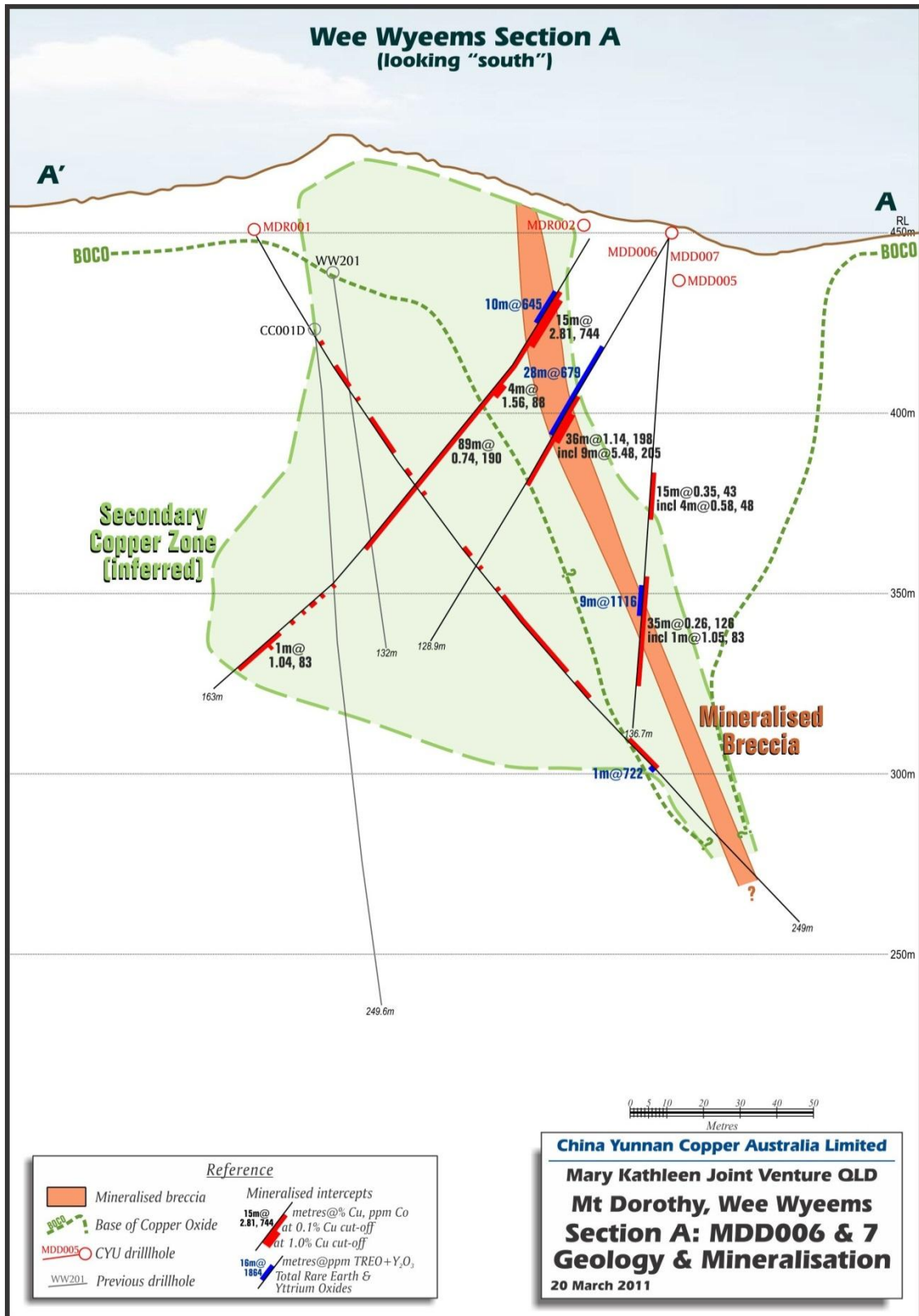
or visit the website, [www.cycal.com.au](http://www.cycal.com.au)



**Figure 2.** Plan depicting CYU drilling. Figures 3 and 4 following depict section lines B – B' and A – A' as per plan.



**Figure 3.** B – B' section which confirm NE trend of the mineralised breccia. Significant TREO intercept is present from 71 metres of 16m @ 1,864ppm TREO + Y<sub>2</sub>O<sub>3</sub>.



**Figure 4.** Section A – A', MDD006 intersection of 36m @ 1.54% copper and 198 ppm cobalt is similar in copper content to MDR002, 50 metres above which returned an intercept of 35m @ 1.52% copper and 397ppm cobalt from 17 metres including 15m @ 2.81% copper and 744ppm cobalt.