



ASX/Media Announcement

29 August 2011

Resource Drilling commences at Elaine Copper-REE-Cobalt-Gold Zone Mary Kathleen JV, Mt Isa, with Goldsearch Limited

- A recently completed electromagnetic (EM) survey indicates a sulphide body (the target zone) that strikes approximately E-W over a distance of at least 300m dipping steeply south with a depth to top of between 100m and 120m.
- Drilling is designed to result in an inferred resource estimate early in 2012 and to grow dimension of previously announced results including:
- 122.7m @ 0.55% Cu, 317 ppm Co, 0.08g/t Au from 487m depth in MKED007; and
- 188m @ 0.35% Cu, 174ppm Co, 0.02g/t Au, from 263m depth in MKED008; with
- 108m @ 1,241ppm TREO, 0.02 kg/t U₃O₈, 0.08 kg/t ThO₂ from 313m depth.
- Estimated Exploration Target* of between 40 and 45 million tonnes based on interpreted dimensions which remain open along strike and at depth. True thickness of the zone is not yet defined with MKED007 and 008 not able to fully penetrate the zone. The Elaine mineralisation is open along strike and at depth.

Chinalco Yunnan Copper Resources Ltd (CYU) and Goldsearch Ltd (GSE) are pleased to announce commencement of a core drilling program totalling 6,050m in 15 holes is proposed at Elaine to follow up significant Cu-REE-Co-Au intersections reported on 10th August.

The copper-cobalt-gold mineralisation is related to zones dominated by pyrrhotite with less pyrite and chalcopyrite that occur as veins, stringers and disseminations, invariably associated with garnet rich zones in a diopside (scapolite) rich calc-silicate host.

**The Exploration Target is defined as between 100m and 600m below surface, 100m true thickness, 300m strike length and an interpreted specific gravity of 2.7. The zone is interpreted to be sulphide only. The company's current intention, if a sufficient and suitable resource is defined, is to process this material using standard flotation processing.*

This Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Rare earth elements (REEs) occur within the sulphides zones, probably associated with second generation garnet; and within the adjacent calc-silicate rocks as allanite in small fracture fills.

Elevated uranium and thorium values are associated with the latter style. Petrographic samples are being examined at time of reporting to try and determine the relevant mineralogy.

Proposed drill hole locations are shown below in Figure 2. Interpretation of the results of the drilling and recently completed surface and down hole electromagnetic (EM) surveys indicate a sulphide body (the target zone) that strikes approximately E-W over a distance of at least 300m dipping steeply south with a depth to top of between 100m and 120m.

Proposed drill holes are inclined to the north and designed to test the target zone above and lateral to MKED007 and MKED008 at 100m x 100m centres. Hole lengths are between 250m and 600m.

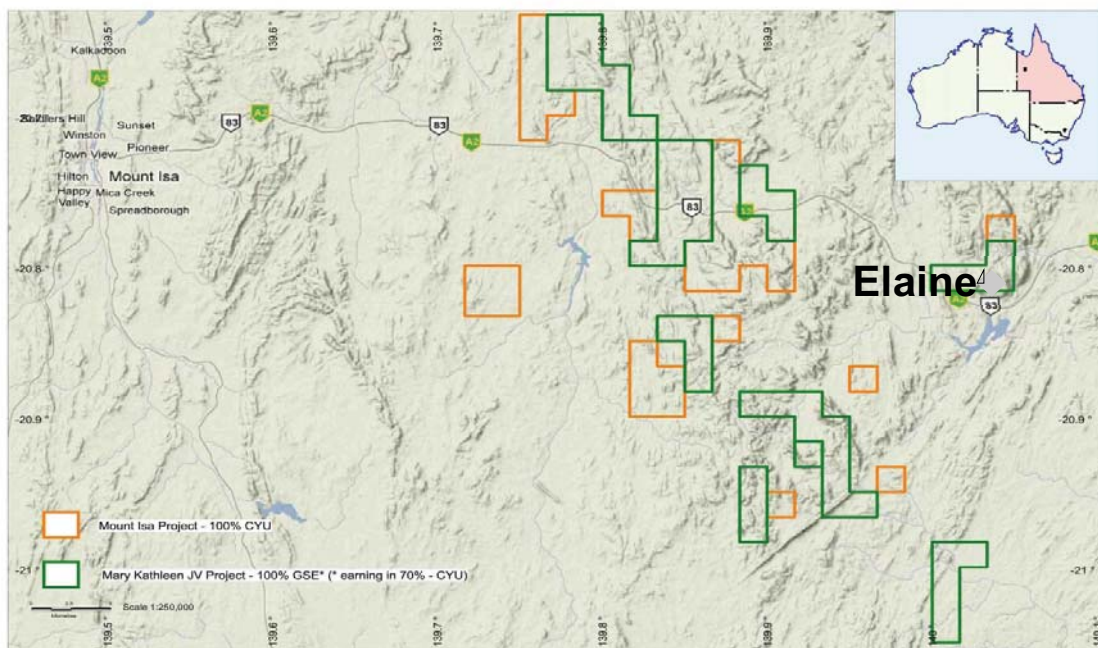


Figure 1. The Mary Kathleen Joint Venture Project with Goldsearch Limited. The Elaine prospect is located 60 kilometres east of Mount Isa.

3D Map

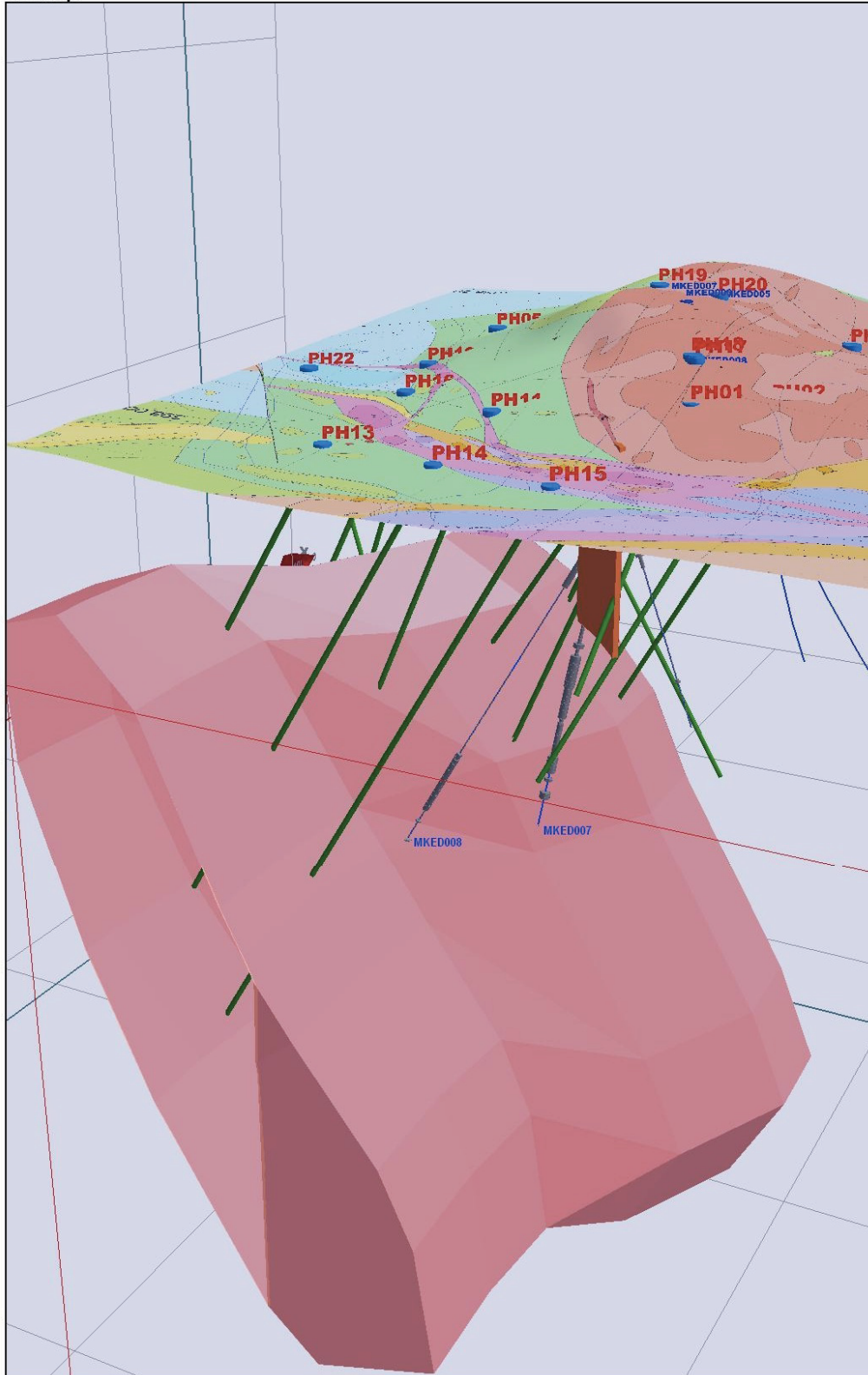


Figure 2: Elaine Zone 3D model looking North East with green proposed drill holes on an image of draped geological mapping. Pink shape is sulphide host central zone. Current drilling will test up-dip shallow portion only. Grid on image is 200m x 200m.

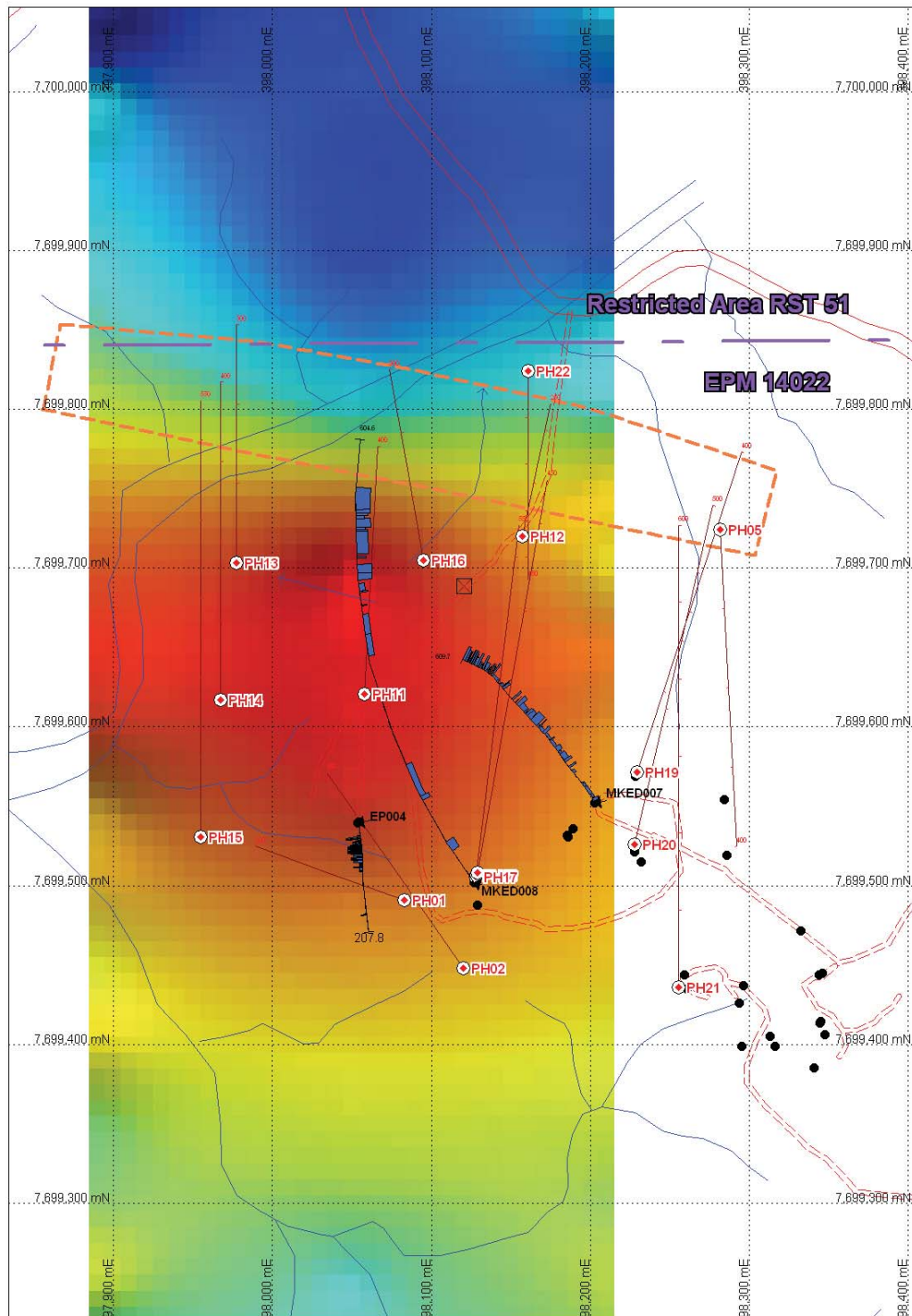


Figure 3: Elaine proposed drill holes on an image of surface EM (electromagnetics); up dip projection of sulphides to 100m below surface as dashed orange line; pyrrhotite (iron sulphide) content in MKED004, 7 and 8 as blue histogram on drill traces, from minor to intense. Red collar holes are proposed holes underway.

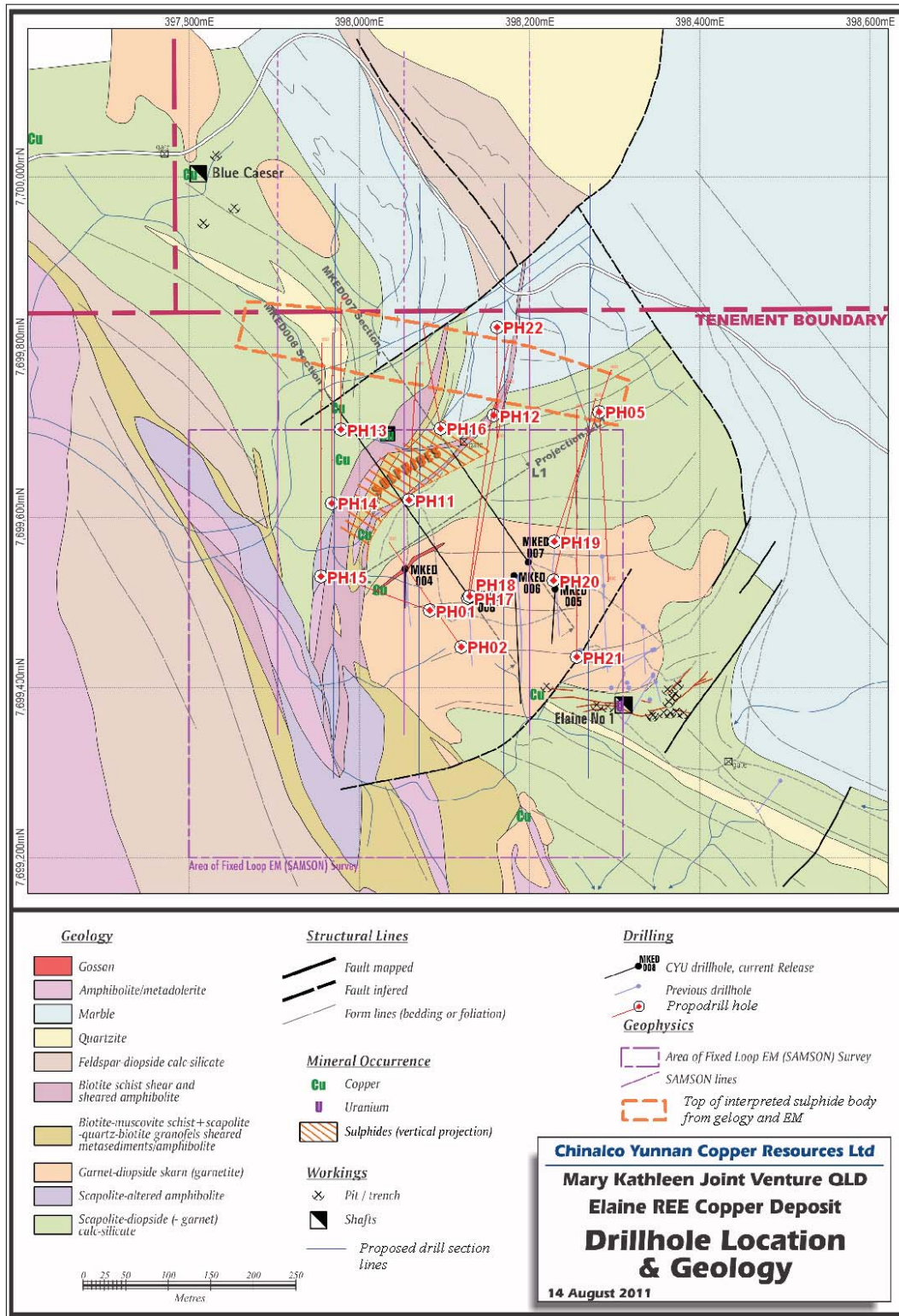


Figure 4. Drillhole location plan - the Elaine prospect. Note the area of the EM anomaly suggesting a target area for resource drillout of at least 300m strike. Open at depth and strike.

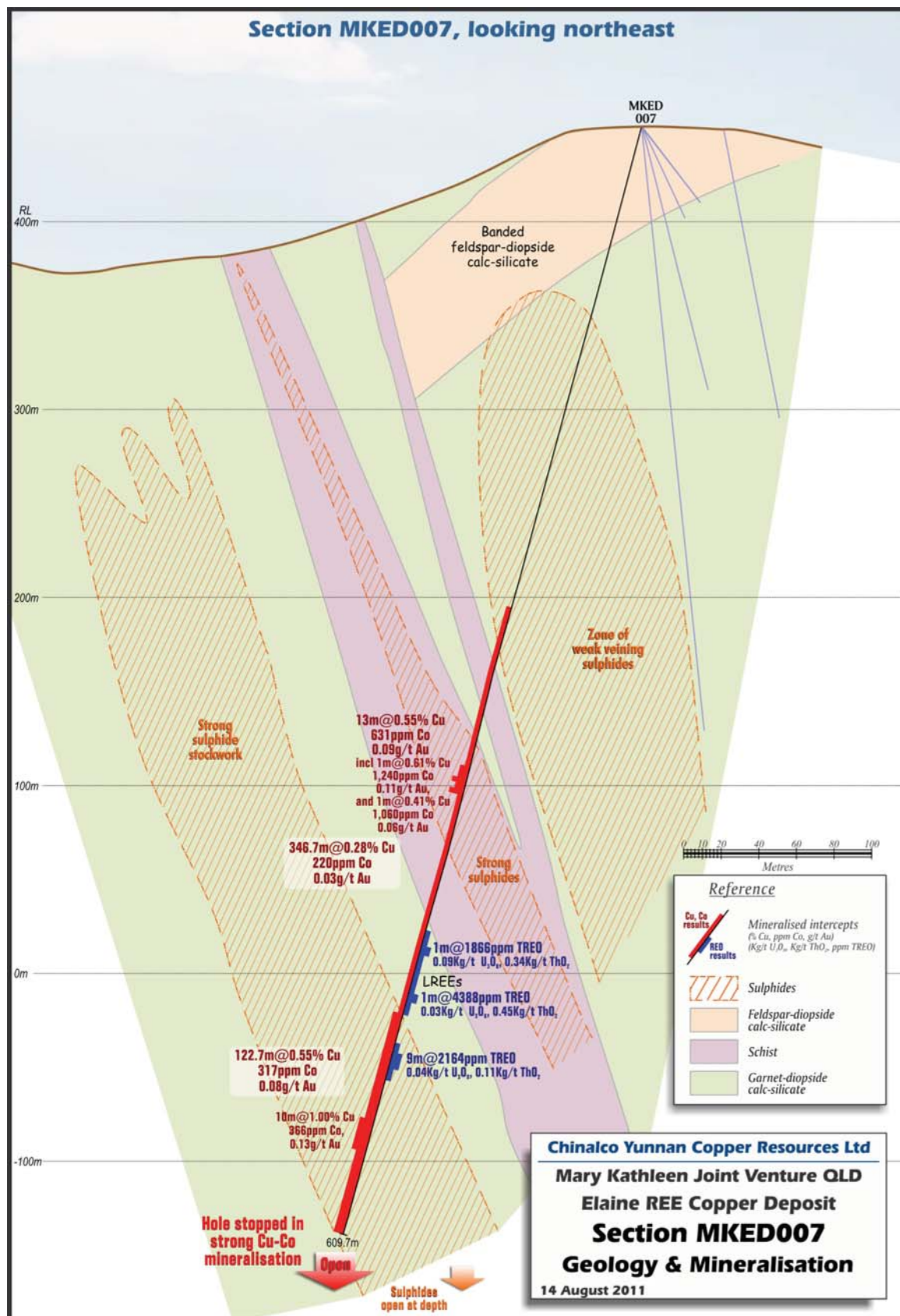


Figure 5: Elaine prospect - Section MKED007

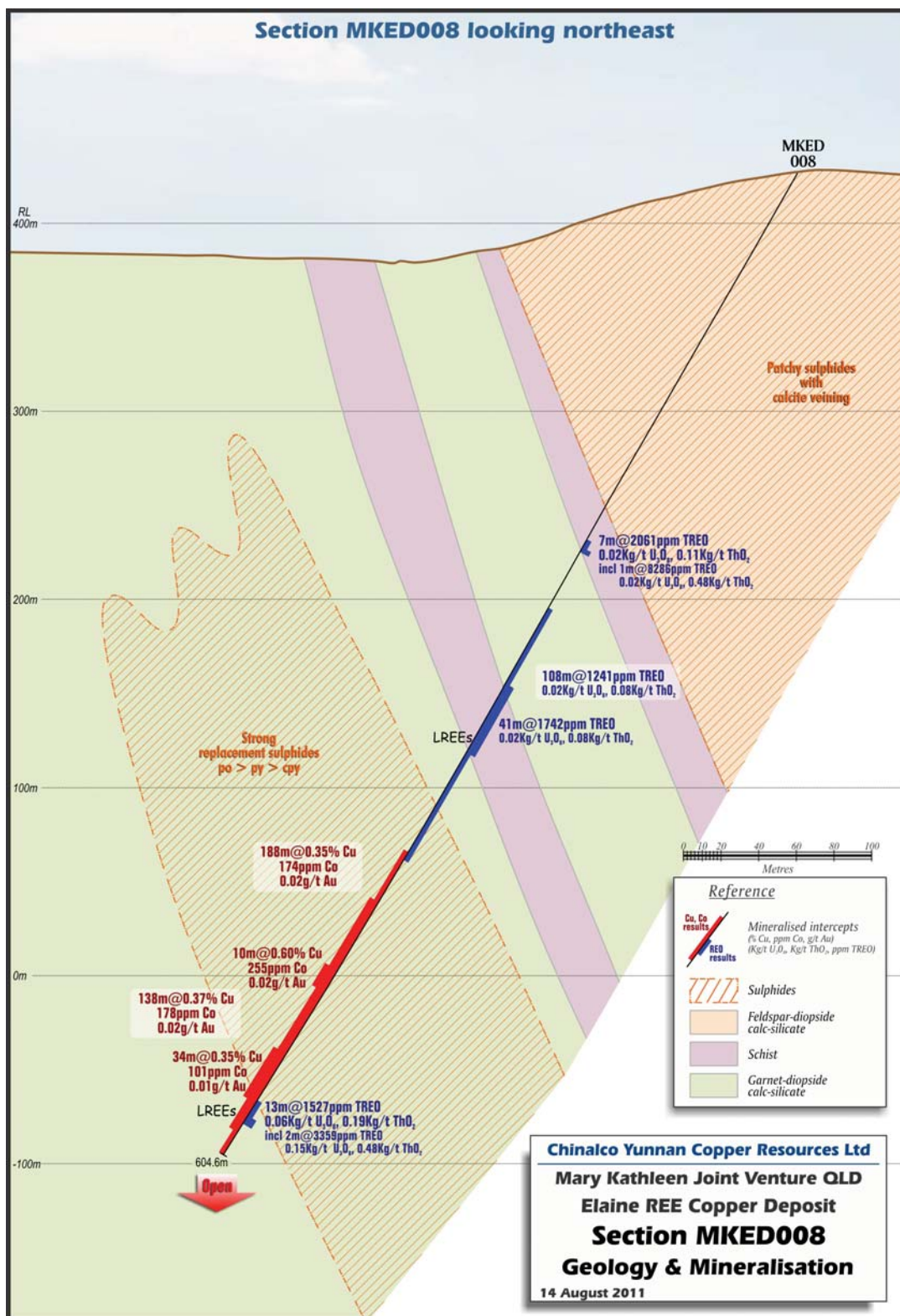


Figure 6: Elaine Prospect - Section MKED008

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Enquiries:

Mr Jason Beckton
Managing Director
CYU
0438 888 612

Rudi Michelson
Monsoon Communications
03 9620 3200

www.cycal.com.au

About Chinalco Yunnan Copper Resources

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. Exploration is occurring in Queensland for copper, gold and uranium while drilling mainly for copper will occur at highly prospective tenements in Laos and Chile.

CYU is supported by cornerstone shareholder Yunnan Copper Industry (Group) Co Ltd (YCI); China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

CYU's Queensland tenements are near Mount Isa and cover over 1,000km² in a pedigree mining area. CYU has earned 70% in the Mary Kathleen project working with joint venture partner Goldsearch Limited (GSE). Currently drill results are awaited from the Mount Dorothy drill program testing Heavy REE and Copper. The nearby Cloncurry North project will be farmed out to Yunnan Copper Mineral Resources Exploration and Development.

Copper is also targeted at the (Rio Tinto) joint ventures in Chile at the Caramasa and Palmani porphyry targets. Environmental permitting is underway with first drilling scheduled to commence in September or October. Another CYU Chile project is the Humitos Copper Porphyry in the Copiapo District of north Chile. CYU is actively seeking additional large scale exploration properties in the Chilean Cordillera.

CYU is also awaiting completion of an independent valuation to send to shareholders in relation to the proposal for the acquisition of 51% of the China-based company Sanmu Mining which holds 100% of four properties in northern Laos.

Competent Person's Statement

The information regarding Exploration Activities in this report that relates to the Elaine Copper REE Cobalt Gold Prospect (EPM 14022), is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and is the Managing Director of Chinalco Yunnan Copper Resources 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.