

CHILE UPDATE

COPPER PORPHYRY DRILLING RESULTS

Chinalco Yunnan Copper Resources Limited (CYU:ASX) is pleased to provide an update on drilling on the Candelabro Joint Venture in northern Chile and on progress with the two other Rio Tinto joint venture properties in Chile.

- **First hole CAND0005 completed in the 2000m diamond drilling program underway at Candelabro Project.**
- **First 300m of the hole has been assayed with encouraging texture albeit non-economic assays suggesting an intrusive system centre. CAND0005 has (in this 300m) intercepted visual copper sulphide.**
- **Recent core results suggest a vector to the intrusive and alteration centre positioned an additional 250 metres to the east which will be investigated by a subsequent drill hole after a new pad is permitted and excavated.**
- **All prospects are large tonnage concepts with known mineralisation occurring at each location as defined by JV partner Rio Tinto**

Copper is targeted at the Rio Tinto joint ventures in Chile at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective. Track and pad construction has been completed at Caramasa, which will be drilled after Candelabro from April. Road permitting has now been completed for Palmani.



Copper Mineralisation from CAND0005 and Energold drillrig set up.

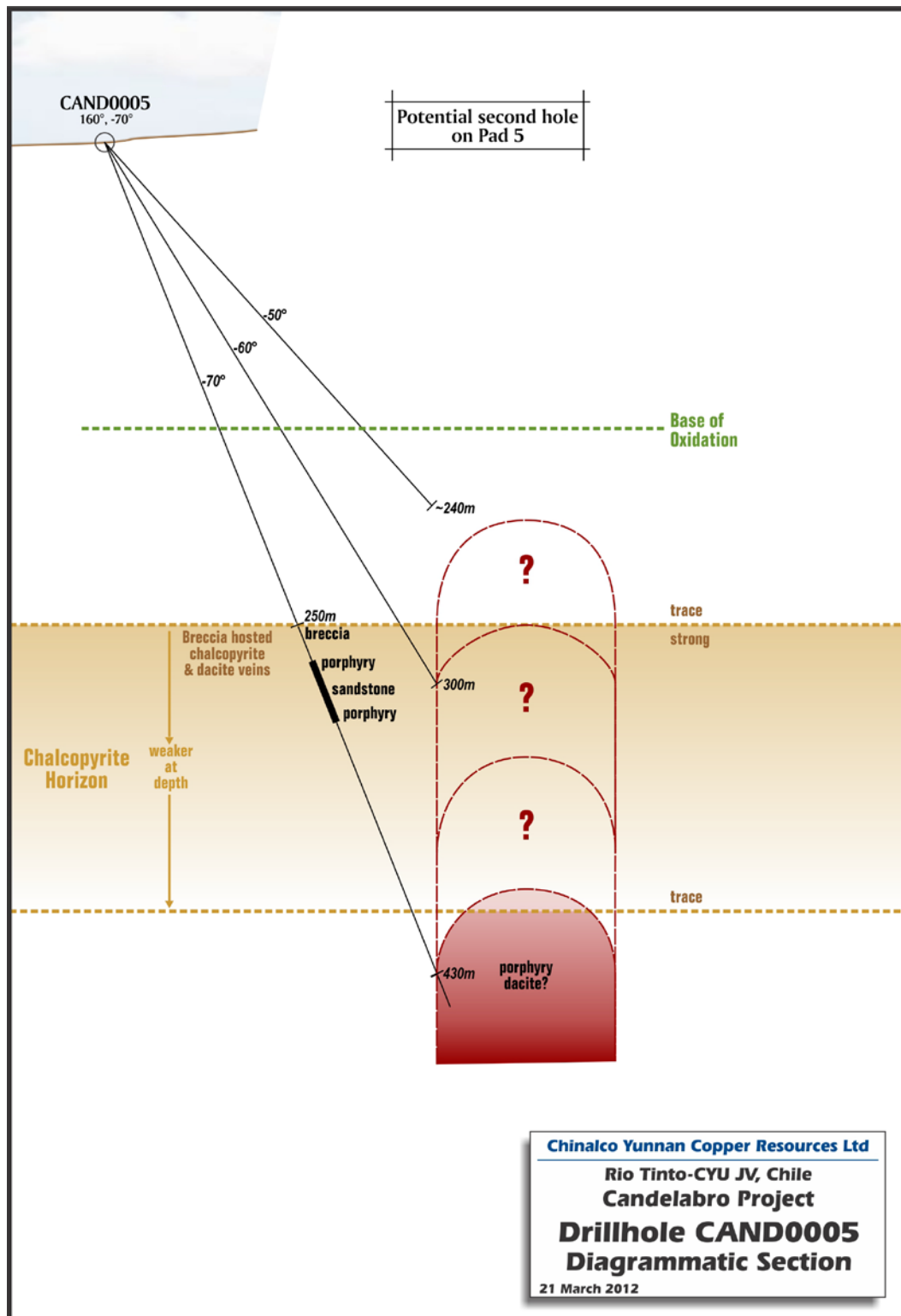


Figure 1. Candelabro section indicated porphyry intercepted from 300 metres. Assays of low grade tenor have been received for the first 300m and the remainder of the hole (187m) is being assayed with an expected three week results turn around.

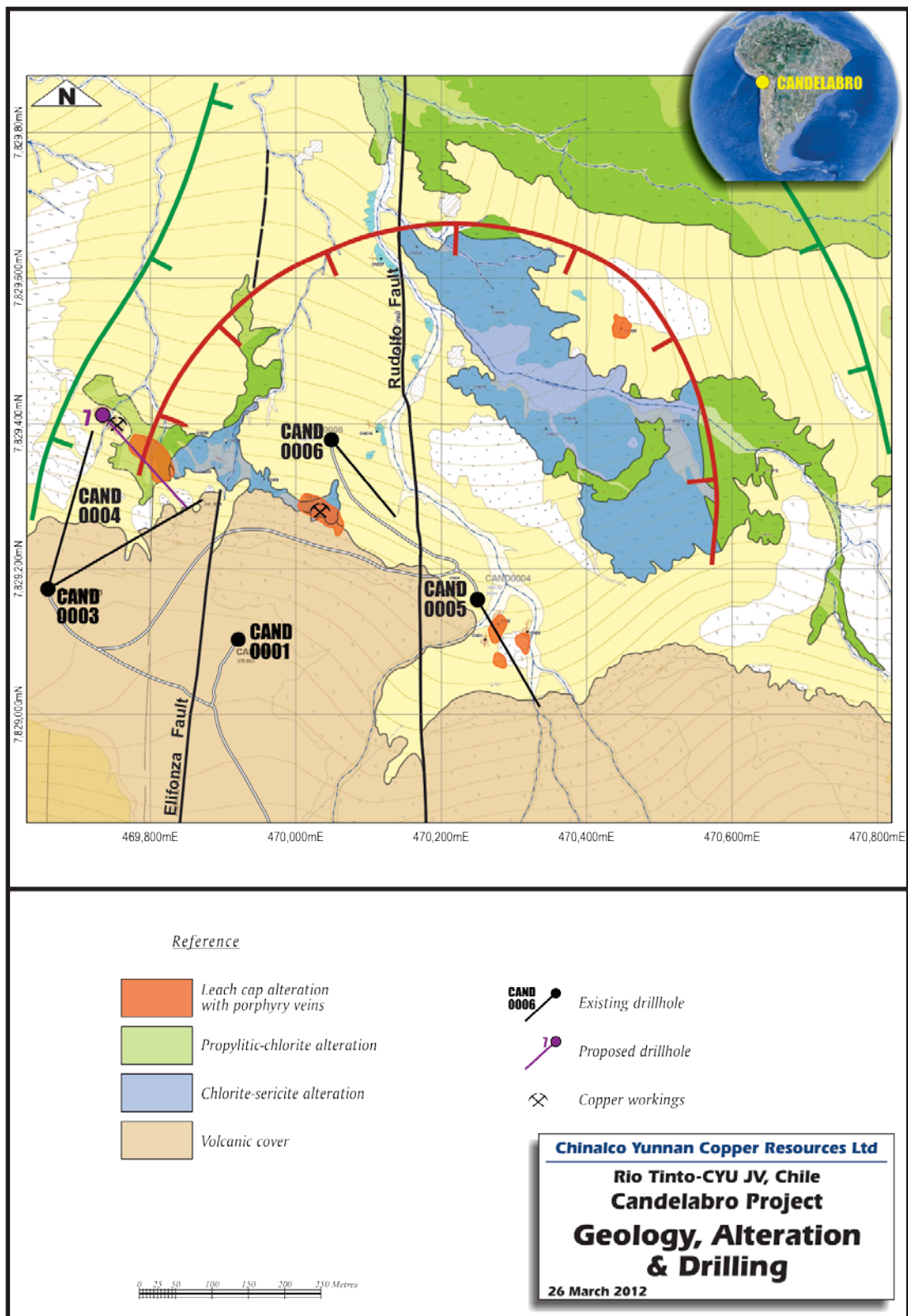


Figure 2. Drilling is designed to test known mineralised leach caps with porphyry style copper stockwork veins mapped by Rio Tinto and confirmed by CYU.

CYU is undertaking this program with due attention to Health, Safety, Environment and Community (HSEC) issues including employing local Sipiza and Chuzmisa people and resources. CYU now has a fulltime field based HSEC officer and is in compliance with all Chilean government regulations as are all of the associated project contractors.

CYU now has six drill rigs generating results with two rigs located at each of Elaine, Laos and Candelabro, Chile.

About Chinalco Yunnan Copper Resources

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. 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.

Australia

CYU is currently drilling the Elaine copper-cobalt-gold-LREE discovery within the Mary Kathleen JV tenements near Mount Isa. CYU has earned 70% from the Mary Kathleen project working with joint venture partner Goldsearch Limited. A second rig has commenced drilling to extend the open strike length of this new discovery.

Laos

Following results from the 2011 regional geochemical and geophysical surveys Sanmu Mining (CYU is earning 51% equity) is currently undertaking the first phase of drilling at the Jiuzhai project and the Xinzhai project in Northern Laos. The first hole at Jiuzhai project commenced in Dec 2011 and finished at a total depth of 240.74m. The second hole commenced in mid Feb 2012 and is expected to be completed by end of March. The drilling at Xinzhai project commenced in early Feb 2012 and finished at the depth of 376m. Several mineralized zones have been visually identified from this hole by a CYU senior geologist reviewing the drill program for CYU. All the core samples taken have been sent to the Yunnan Nonferrous Metals Geology and Test Centre, Kunming, China. Assays results are pending.

Competent Person's Statement

The information regarding the Exploration Activities on the Candelabro Prospect is based on information compiled by Mr 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.

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