

ELAINE COPPER-GOLD ZONES EXTENDED

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to provide an update on the current definition and extensional diamond drill program at the Elaine prospect that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**) at Mt Isa, Queensland. CYU hold 70%, GSE hold 30% interests in the Mary Kathleen Joint Venture.

Final assay results have been returned for 2 drill holes (MKED023 and MKED016) completed in the area identified to use for work on the initial resource definition for the project (**Figure 2**). Drilling has consisted of combination of extension of previous drill holes that terminated in mineralisation with a deeper penetrating rig and new drill holes stepping out to the northeast – southwest of the mineralised trend. Drill hole collar and survey information is provided in **Table 1**. A summary of significant intersections is provided in **Table 2**.

Highlights from MKE023 (**Figures 3 and 4**) include the following:

- **MKED023: 21m @ 0.61% Cu, 772ppm Co and 0.65g/t Au from 464m inc. 4m @ 2.40% Cu, 237ppm Co and 0.24g/t Au from 464m inc. 10m @ 0.11% Cu, 709ppm Co and 1.08g/t Au from 468m (0.5g/t Au cut-off)**
- **MKED023: 120m @ 0.56% Cu, 272ppm Co and 0.08g/t Au from 505m inc. 24m @ 0.70% Cu, 369ppm Co and 0.08g/t Au from 544m inc. 23m @ 0.85% Cu, 275ppm Co and 0.19g/t Au from 572m inc. 7m @ 1.00% Cu, 149ppm Co and 0.07g/t Au from 611m**
- **MKED023: 13m @ 0.95% Cu, 771ppm Co and 0.21g/t Au from 643m**
- **MKED023: 16m @ 2,278ppm TREO, 0.09kg/t U₃O₈ and 0.31kg/t ThO₂ from 874m**
- **Mineralisation now intersected along strike and up dip from current resource definition area. The Elaine mineralisation within and adjoining the regional Mary Kathleen shear is open to the east and west.**

MKED023 was drilled to test a 100m step out to the significant gold intersection reported for MKED009 of **109m @ 0.50% Cu, 482ppm Co and 1.98g/t Au from 491m**.

Final assays returned for MKED023 have extended the previous intersected high grade gold zone in MKED009 with a broad zone of **21m @ 0.61% Cu, 772ppm Co and 0.65g/t Au from 464m including 10m @ 0.11% Cu, 709ppm Co and 1.08g/t Au from 468m (0.5g/t Au cut-off)**. This intersection is approximate 100m along strike and approximately 50m up dip from MKED009.

Several significant zones of copper mineralisation have also been returned from MKED023, highlighted by **4m @ 2.40% Cu, 237ppm Co and 0.24g/t Au from 464m, 120m @ 0.56% Cu, 272ppm Co and 0.08g/t Au from 505m including 23m @ 0.85% Cu, 275ppm Co and 0.19g/t Au from 572m and 13m @ 0.95% Cu, 771ppm Co and 0.21g/t Au from 643m**.

Significant broad (>20m) low-grade (>1,500ppm) intersections of total rare earth oxide (TREO = >90% Ce, La, Nd), uranium and thorium mineralisation have also been returned in MKED023. Spot intersections >250ppm U₃O₈ are highlighted by **2m @ 6,283ppm TREO, 0.34kg/t U₃O₈, 1.0kg/t ThO₂ from 878m, 1m @ 4,681ppm TREO, 0.36kg/t U₃O₈, 0.97kg/t ThO₂ from 889m (Table 3)**.



MKED016 was extended from its initial depth of 642.4m to a final depth of 762.4m to close off the 2011 open intersected mineralisation contained within a broader mineralised envelope.

Assays results are pending for MKED026 and MKED029. In addition regional targets of Elaine 2 and Elaine 3 situated 1 – 2km southeast of the Elaine resource area have been tested with drill holes MKED024, MKED025, MKED027, MKED028 and MKED030. Assays are pending for all these holes.

The initial resource evaluation work has been delayed to incorporate the results from the latest round of drilling. Drill data and results up to and including MKED023 have now been supplied for inclusion in the initial resource evaluation. All drill holes after MKED023 will not be used in the resource calculation.

CYU CHILE AND LAOS PROJECTS UPDATE

Chile

Drilling at the Candelabro project is near completion. No significant assays were returned from top 300m of drill hole CAND005 (reported 27th March). The remaining 200m of samples have been submitted to ALS - Antofagasta with assays pending. An update on visual results from drilling of CAND0007 will be provided shortly. The final hole for this campaign CAND0008 is currently underway. The track and pad construction has been completed at the Caramasa project, which will be drilled after Candelabro. Road permitting has been completed at the Palmani project with preparations underway for drill road and pad construction.

Laos

The first phase of exploration program at the Jiuzhai Zn-Pb-Ag project and the Xinzhai Cu-Ag project has been completed including mapping, geochemical, geophysical and diamond drilling programs), Northern Laos (Sanmu Mining - CYU is earning 51% equity), All the samples have been prepared and delivered to Yunnan Nonferrous Metals Geology and Test Centre in Kunming, China. Partial assay results have been returned and the data and results to date are currently being compiled and reviewed.

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.

Competent Person's Statement

The information regarding the Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by Mr Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources 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.

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Table 1: Elaine 2012 Diamond Drill Program – current as of 23 May 2012

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
MKED016 ¹	398,057	7,699,618	391	306	-75	762.4
MKED023	398,227	7,699,573	459	328	-73	891.7
MKED026	398,057	7,699,621	399	310	-60	294.6
MKED029 ²	398,120	7,699,443	402	285	-70	478.0
MKED024	399,012	7,698,874	423	205	-60	150.6
MKED025	399,263	7,698,527	441	0	-90	114.8
MKED027	398,962	7,698,719	465	0	-90	114.6
MKED028	398,695	7,698,938	446	180	-60	156.4
MKED030 ²	399,267	7,698,882	468	236	-60	26.0
*Datum is UTM MGA94 Zone 54 ** Azimuth is UTM Grid North (MGA94 Z54)						2,989.1m

1 - Extension from 642.4m

2 - Currently Drilling

Table 2: Elaine 2012 Diamond Drilling - Summary of significant copper-cobalt-gold intersections, in drill hole MKED023, at a nominal 3m minimum width at a 0.2% Cu lower cut, with max 3m internal dilution.

HOLE ID	From (m)	To (m)	Width (m)	Au (g/t)	Cu (%)	Co (ppm)	CuEq (%)
MKED016	81	95	14	0.01	0.20	130	0.20
MKED016	514	533	19	0.01	0.25	35	0.25
MKED016	550	553	3	0.04	0.38	125	0.40
MKED016	569	572	3	<0.01	0.30	78	0.30
MKED016	604	614	10	<0.01	0.25	165	0.25
MKED023	121	128	7	0.05	0.30	52	0.33
MKED023	390	393	3	0.12	<0.01	414	0.09
MKED023	436	439	3	0.11	0.33	253	0.40
MKED023	464	485	21	0.65	0.61	772	1.01
inc.	464	468	4	0.24	2.40	237	2.55
inc.	468	478	10	1.08	0.11	709	0.79
MKED023	505	625	120	0.08	0.56	272	0.61
inc.	544	568	24	0.08	0.70	369	0.75
inc.	572	595	23	0.19	0.85	275	0.97
inc.	611	618	7	0.07	1.00	149	1.04
MKED023	643	656	13	0.21	0.95	771	1.08
MKED023	661	696	35	0.06	0.39	251	0.43
MKED023	705	709	4	0.19	0.49	109	0.61

* Cu equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowances are made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. Long-term price assumptions and copper equivalent conversion factors are summarized below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.6279)**

Price assumptions – Cu (US\$3.8902/lb.), Co (US\$14.65/lb.), Au (US\$1675.1/oz.), Market prices as at 3pm EPST 13/03/2012

Table 3: Elaine 2012 Diamond Drilling - Summary of significant TREO-uranium-thorium intersections, in MKED016 and MKED023, at a nominal 1500ppm TREO lower cut with a max 3m internal dilution.

HOLE ID	From (m)	To (m)	Width (m)	TREO (ppm)	U3O8 (kg/t)	ThO2 (kg/t)	LREO (%)	HREO (%)
MKED016	689	693	4	1559	0.03	0.09	95	5
MKED016	698	702	4	2025	0.08	0.28	95	5
MKED016	757	762	5	1650	0.09	0.21	94	6
MKED023	313	316	3	2160	0.10	0.20	96	4
MKED023	620	634	14	2060	0.05	0.19	95	5
MKED023	687	700	13	1975	0.03	0.06	95	5
MKED023	710	720	10	2574	0.04	0.09	95	5
MKED023	738	741	3	2688	0.14	0.37	94	6
MKED023	747	756	9	2335	0.05	0.19	94	6
MKED023	760	778	18	2149	0.05	0.21	92	8
MKED023	785	793	8	1470	0.05	0.18	89	11
MKED023	802	815	13	1613	0.04	0.21	91	9
MKED023	821	832	11	1732	0.06	0.26	93	7
MKED023	837	848	11	1599	0.05	0.18	88	12
MKED023	874	890	16	2278	0.09	0.31	93	7
inc.	878	880	2	6283	0.34	1.00	97	3
inc.	889	890	1	4681	0.36	0.97	96	4

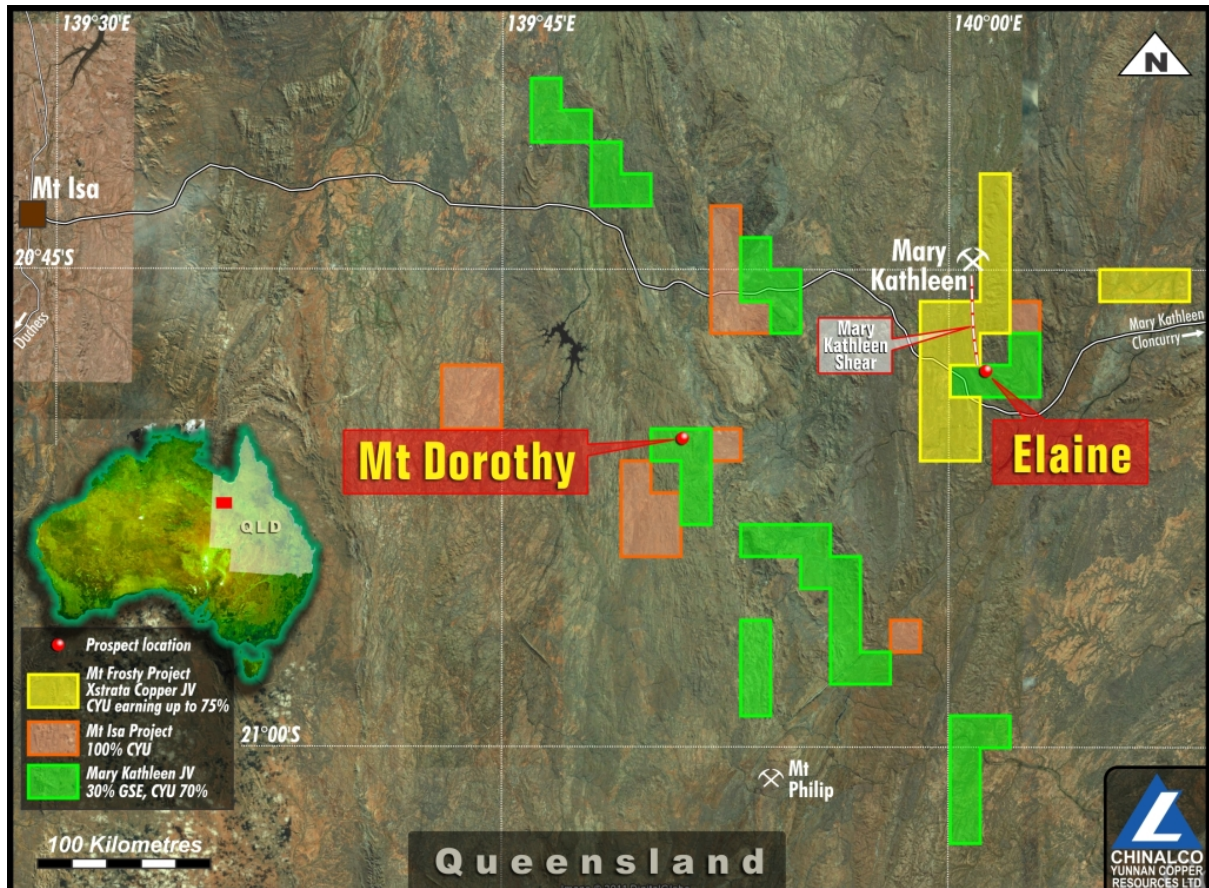


Figure 1. Tenement and prospect location plan of the Mary Kathleen and Mount Frosty Joint Venture projects. The Elaine prospect is located approximately 60km east of Mount Isa and is situated along the 6.5km long Mary Kathleen Shear zone.

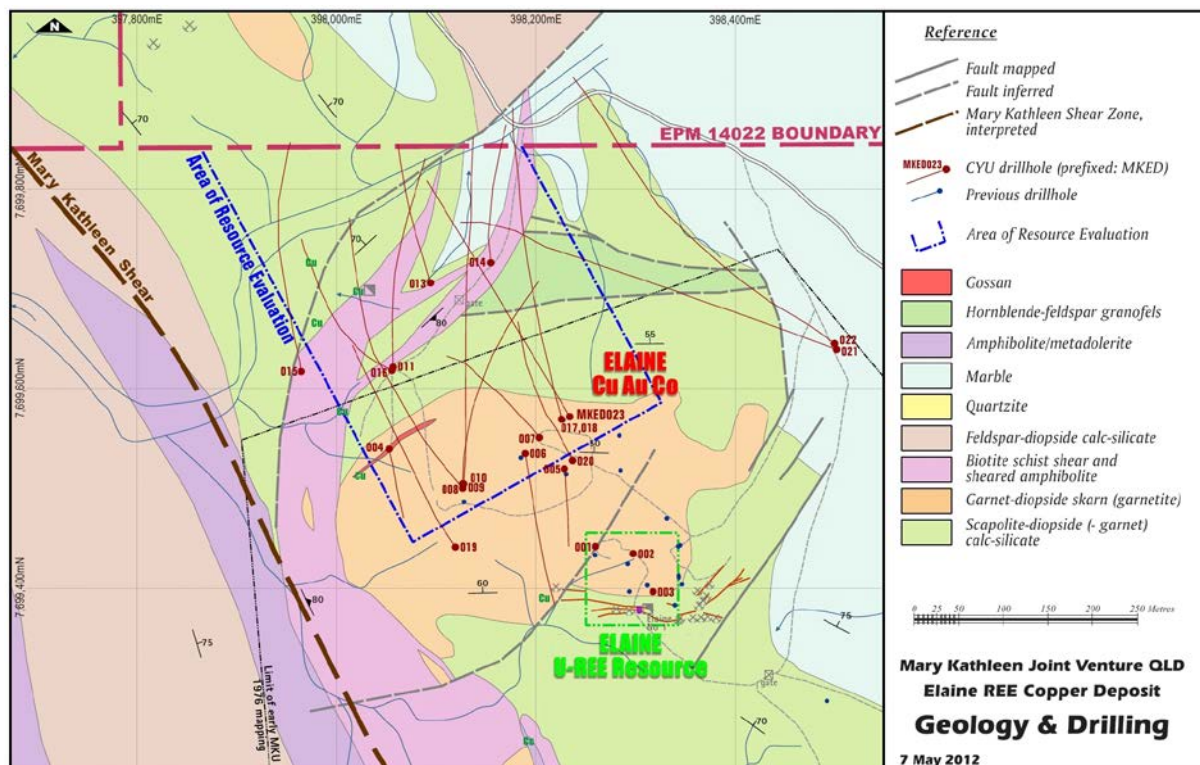


Figure 2. Simplified map showing north side of the Elaine garnet hill. Mineralisation is expected to continue down the western side and on the southern side of the hill and merge with the U-REE resource where untested copper outcrops occur.

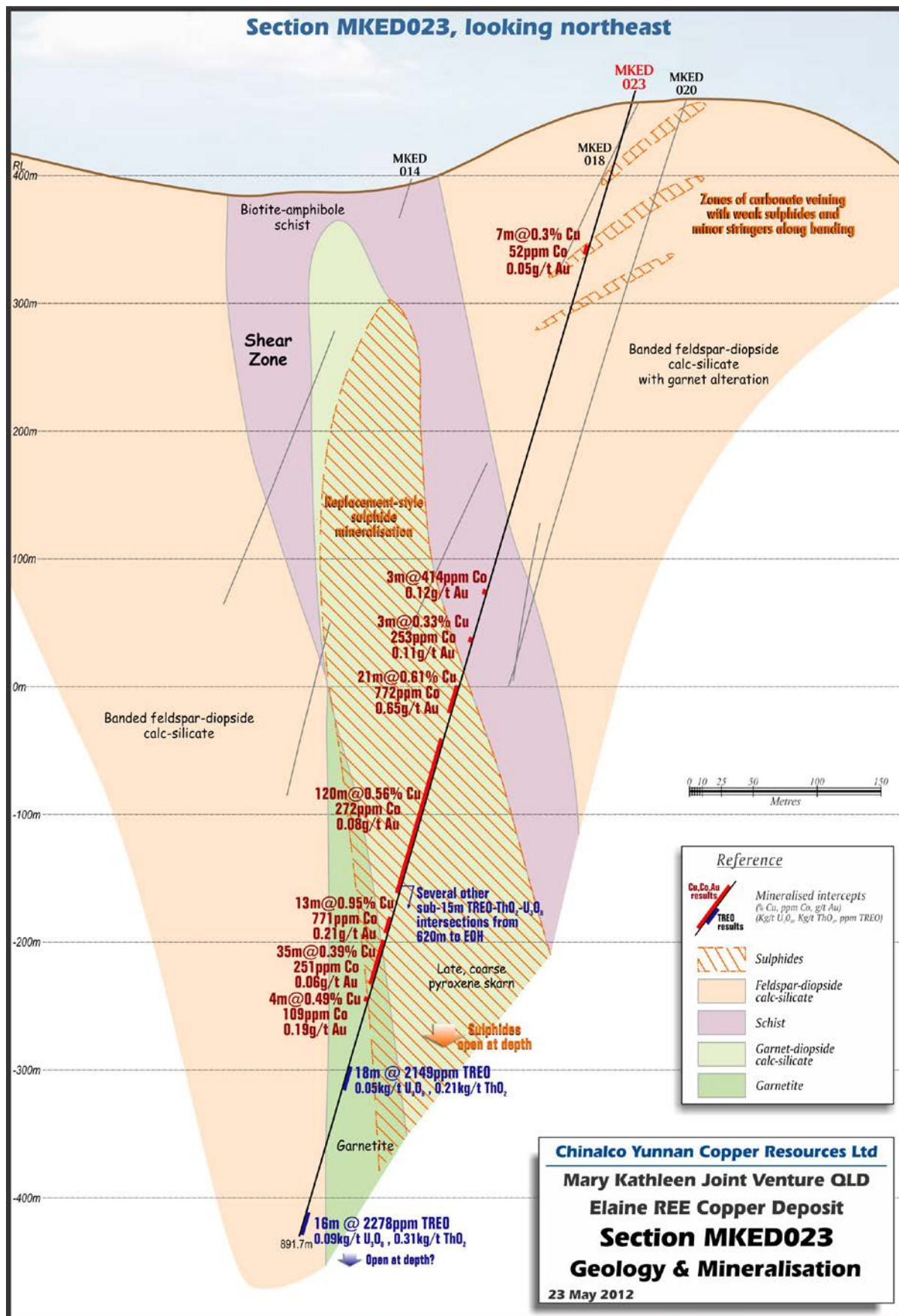


Figure 3. MKED023 drill section, demonstrating the strongly mineralised Elaine Cu-Co-Au zone.

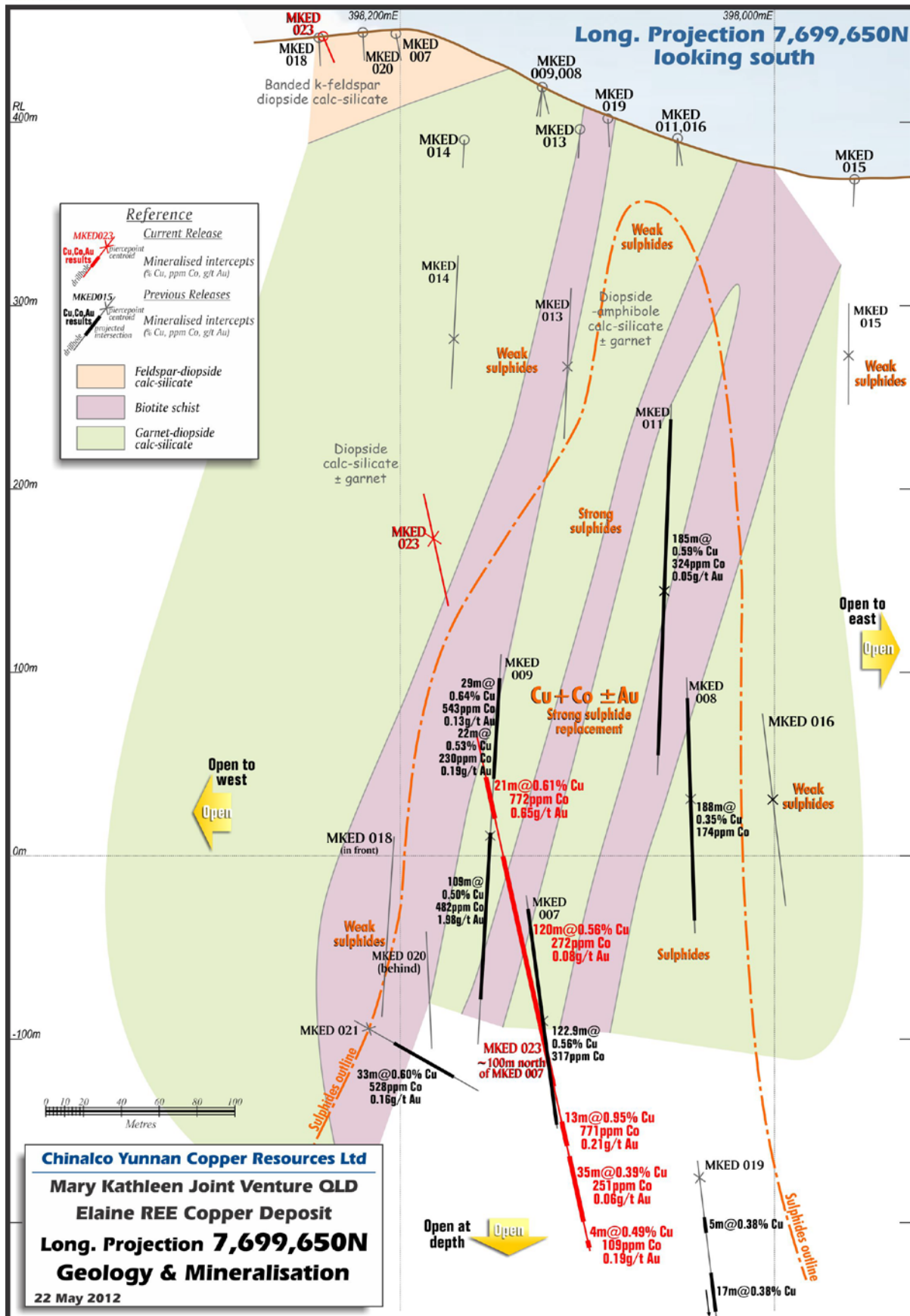


Figure 4. Long Projection of the Elaine mineralisation, looking south. Intersection for MKED023 (located 100m to north) is projected onto long projection.