

SIGNIFICANT HEAVY RARE EARTH AND THORIUM MINERALISATION INTERSECTED AT ELAINE 2 PROSPECT

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to provide an update on the regional scout diamond drill program at the Elaine 2 and 3 prospects 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.

Situated approximately 1km southeast of the Elaine 1 (Elaine U-REE and Elaine North Cu-Co-Au currently subject to resource estimation) prospect, the Elaine 2 and Elaine 3 are along strike of the significant regional Mary K shear (**Figure 2**). These areas were historically explored for uranium.

A five diamond hole scout drill program was undertaken totalling 725.4m. Drilling focussed on the evaluation of copper, rare earth and thorium potential targeting areas of historic drilling, ground scintillometer/radiometric and soil geochemistry anomalies. Drill hole collar and survey information is provided in **Table 1**. A summary of significant intersections is provided in **Table 2**.

Final assay results have been returned for the first 3 drill holes (Elaine 2 prospect - MKED024, MKED027 and Elaine 3 prospect - MKED025). Highlights from include the following:

- **MKED024: 19m @ 2,050ppm TREO, 0.17 kg/t ThO₂ and 0.04 kg/t U₃O₈ from 55m**
- **MKED025: 22m @ 1,633ppm TREO, 0.22 kg/t ThO₂ and 0.03 kg/t U₃O₈ from 71m**
- **MKED027: 34m @ 2,135ppm TREO, 0.18 kg/t ThO₂ and 0.03 kg/t U₃O₈ from 8m**

Several significant broad (>10m) low-grade (>1,500ppm) intersections of total rare earth oxide (TREO = 65%-95% LREE Ce, La, Nd & 5%-35% HREE Dy, Gd, Er, Tb), thorium and uranium mineralisation are common (**Table 2 & 3**). Assays results are pending for MKED028 and MKED030.

MD Jason Beckton commented, "These initial results are exciting in that these areas have not previously been tested for rare earth mineralisation. The total rare earth mineralisation at the Elaine U-REE deposit, 1km to the northeast is characterized by >95% light rare earth elements of Cerium, Lanthanum and Neodymium. What we are seeing at Elaine 2 (MKED024 and MKED027) is the heavy rare earth component, dominated by Dysprosium, Gadolinium, Erbium and Terbium is now ranging 20% - 35% of the total rare earth mineralisation. Added to this the significant and broad intersections of thorium mineralisation and the area is developing into a well endowed region".

Follow up field work of detailed geological mapping, geochemical and geophysical surveys are currently being undertaken in defining the next phase of drilling.

In addition drilling is drawing to completion at Elaine 1 with one drill rig de-mobilised and the second rig approximately half way through the last hole of the program. Drilling will be temporarily suspended pending the completion of the resource evaluation at Elaine 1 and while drill operations are undertaken by JV partner Yunnan Copper evaluating the FC4 target of the Cloncurry Project and Mt Frosty JV area (with Xstrata Cu).



CYU CHILE AND LAOS PROJECTS UPDATE

Chile

Drilling at the Candelabro project is near completion. The final hole for this campaign CAND0008 is currently underway. Significant visual results of chalcopyrite mineralisation have been reported from CAND0007 (reported 05th June). Samples have been submitted to ALS - Antofagasta up to CAND007 with assays expected to take 8 – 9 weeks turnaround time. The track and pad construction has been completed at Caramasa, which will be drilled after Candelabro. Road permitting has been completed at Palmani, preparations underway for drill road and pad construction.

Laos

The first phase of exploration program at the Jiuzhai Zn-Pb-Ag project and 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 2 and Elaine 3 Prospects (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 2 & 3 2012 regional Diamond Drill Program – current

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
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	399,267	7,698,882	468	236	-60	189.0
*Datum is UTM MGA94 Zone 54 ** Azimuth is UTM Grid North (MGA94 Z54)						725.4m

Table 2: Elaine 2 and Elaine 3 2012 Regional Scout Diamond Drilling - Summary of significant thorium intersections, at a nominal 3m minimum width at a 0.1 kg/t ThO₂ lower cut, with max 3m internal dilution.

HOLE ID	From (m)	To (m)	Width (m)	ThO ₂ (kg/t)	U ₃ O ₈ (kg/t)	TREO (ppm)	LREO (%)	HREO (%)
MKED024	31	47	16	0.15	0.03	1706	85	15
MKED024	55	85	30	0.15	0.04	1866	82	18
MKED024	107	123	16	0.13	0.02	1414	79	21
MKED024*	150	150.6	0.6	0.13	0.02	1334	83	17
MKED025	3	13	10	0.19	0.04	1396	93	7
MKED025	21	50	29	0.21	0.05	1590	92	8
MKED025	54	98	44	0.19	0.03	1447	94	6
MKED027	8	42	34	0.18	0.03	2135	82	18
MKED027	109	113	4	0.11	0.02	1160	74	26
MKED028	0	156.4	Assays Pending					
MKED030	0	189.0	Assays Pending					

* MKED024 OPEN AT DEPTH

Table 3: Elaine 2 and Elaine 3 2012 Regional Scout Diamond Drilling - Summary of significant TREO-thorium-uranium intersections, at a nominal 1500ppm TREO lower cut with a max 3m internal dilution

HOLE ID	From (m)	To (m)	Width (m)	ThO ₂ (kg/t)	U ₃ O ₈ (kg/t)	TREO (ppm)	LREO (%)	HREO (%)
MKED024	31	45	14	0.15	0.03	1753	86	14
MKED024	55	74	19	0.17	0.04	2050	83	17
MKED024	78	85	7	0.13	0.03	1928	81	19
MKED024	108	111	3	0.18	0.03	1697	80	20
MKED024	114	121	7	0.13	0.02	1507	77	23
MKED025	11	13	2	0.31	0.08	2325	94	6
MKED025	24	32	8	0.29	0.07	2177	95	5
MKED025	38	49	11	0.25	0.05	1938	95	5
MKED025	56	61	5	0.25	0.04	1703	95	5
MKED025	65	67	2	0.26	0.04	2105	96	4
MKED025	71	93	22	0.22	0.03	1633	94	6
MKED027	8	42	34	0.18	0.03	2135	82	18
MKED027	52	59	7	0.09	0.01	1537	74	26
MKED027	87	99	12	0.11	0.01	1792	78	22
MKED028	0	156.4	Assays Pending					
MKED030	0	189.0	Assays Pending					

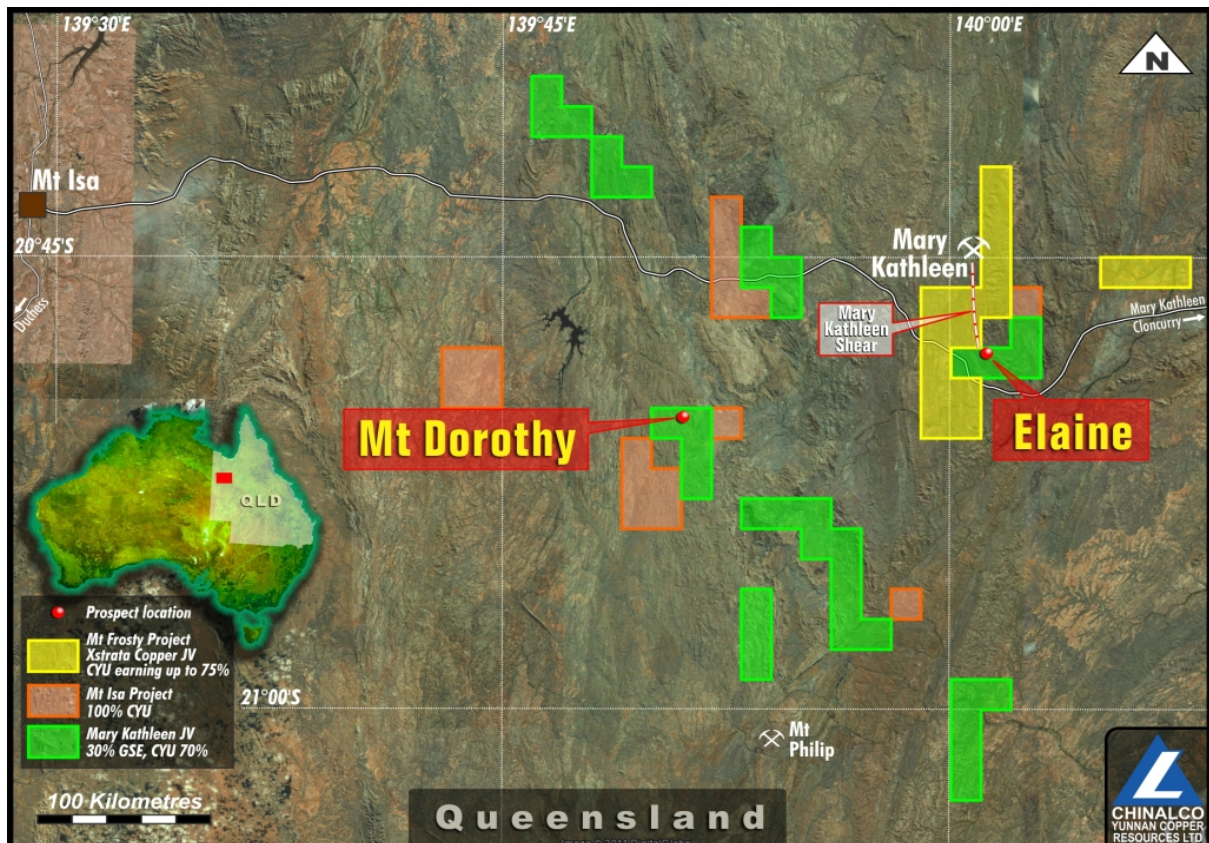


Figure 1. Tenement and prospect location plan of the Mary Kathleen and Mount Frosty Joint Venture projects. The Elaine prospect is located approximately 60km east of Mount Isa and is situated along the 6.5km long Mary Kathleen Shear zone.

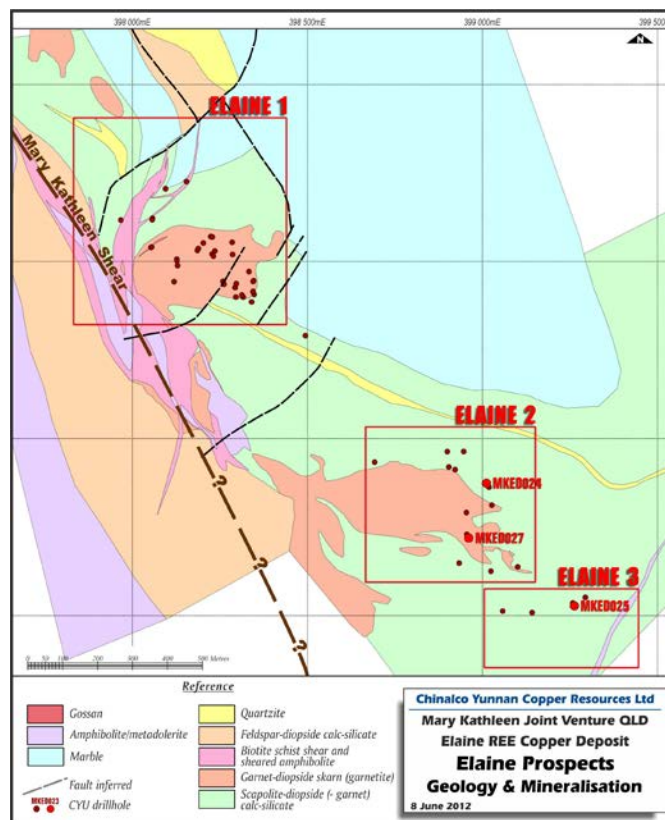


Figure 2. Simplified map showing Elaine 1, Elaine 2 and Elaine 3 prospect areas. At Elaine 2 and 3 previous work focused on uranium mineralisation with REE and Th potential untested. Strike extent from Elaine 1 to 3 untested.