
ASX/Media Announcement 29 June 2012

26.1Mt INFERRED JORC RESOURCE ESTIMATE **ELAINE 1 COPPER GOLD DEPOSIT**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) present an initial Inferred JORC resource for the copper and gold mineralisation at the Elaine 1 copper, gold, light rare earth elements (LREE), uranium and thorium prospect that forms part of the Mary Kathleen Joint Venture Project at Mt Isa, Queensland. CYU holds 70% and GSE holds a 30% interest in the Mary Kathleen Joint Venture (**Figure 1**).

- **26.1Mt @ 0.56% Cu & 0.09g/t Au (0.62% CuEq) for contained metal content of 146,000t copper and 74,000oz gold.**
- **Resource estimate studies completed by independent resource geologist confined to the Elaine 1 prospect area.**
- **The resource and all the mineralisation defined to date are open at depth and along strike to the north-northeast and south-southwest.**
- **Extensional drilling to southwest of Elaine 1 intersects further copper and gold mineralisation.**
- **Regional exploration drilling undertaken at Elaine 2 and Elaine 3 prospects situated ~2km southeast of Elaine 1 along the targeted Mary Kathleen Shear Zone.**
- **6km of Mary Kathleen Shear strike north of Elaine 1 to the Mary Kathleen Uranium Mine under investigation with additional regional targets identified.**
- **CYU and GSE are on track to achieve a significant resource base for their main target commodities of copper and gold, targeting high quality projects in Queensland.**

Of the 29 holes drilled by CYU final assays were received up to and including MKED023. At time of resource estimation assays were still pending for MKED024 – MKED028 and only geological data from these holes was utilised in the estimation. An additional 6 diamond holes (MKED029 – MKED034) have been drilled by CYU testing additional regional targets and extensions to the resource area and assays are pending. MKED026 (ASX announcement: 13 June 2012) and encouraging visual copper mineralization intersected for MKED029, MKED031 and MKED034 are evidence of the growth potential of the resource.

Below largely extracted from Mine Development Associates report.

Independent resource consultants Mine Development Associates (MDA) of Reno, Nevada, USA have completed an initial resource estimate of the Elaine copper-gold, LREE, uranium and thorium prospect in Northwest Queensland, for Chinalco Yunnan Copper Resources Limited. The resource estimate has been prepared in compliance with the disclosure and reporting requirements set forth in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). This initial resource is reported as Inferred using JORC Code guidelines and incorporates both historic and recent drilling results.

The Elaine 1 deposit is a multi-element deposit and eight metals (Cu, Au, Co, U, Th, Ce, La, Nd) were estimated for this study. Only copper and gold are reported in the resource. The resource has been reported at the copper equivalent (CuEq) cut-off grade of 0.25% CuEq (**Table 1**).

The Elaine database contains 65 drill holes totalling 16,238m with 9,500 – 10,000 assays, including 30 historic holes (11 holes (738m) drilled in 1955 and 19 holes (3,107m) drilled in 1980), 6 holes (924m) drilled 2005 to 2007 by joint venture partner GSE and 29 holes (11,469m) drilled from November 2009 by CYU, including one RC water bore (35m).

Two domains each were defined for copper and gold and modelled on section and then on plan. The lower-grade domains are generally described as having disseminations and stringer zones of mineralization. The higher-grade domains have more disseminations and stringer mineralization, but they are mostly characterized by patchy replacements of sulphide minerals. The drill-hole sample intervals were coded by their defined domains, capped and then composited to 5m lengths. Variography studies showed grade continuity for copper to be about 100m or more.

MDA classified the resource as Inferred mostly to reflect the stage of the exploration at Elaine 1. The exploration work done and the resulting data are high quality and the classification of Inferred does not suitably reflect that work but due to sparse drilling, the certainty in location of the grades is lower than could be used for pre-feasibility work or Indicated classification. There is no supporting metallurgical test work. The resource and all the mineralisation defined to date are open-ended at depth and to the north-northeast and south-southeast. CYU has continued drilling at Elaine during the resource estimate with drill holes outside the resource intersecting significant mineralisation already expanding the current resource.

Elaine 1 is an early-stage project whose resource is just being defined and for which there is no metallurgical test work. Based primarily on geological data in the absence of metallurgical test work, copper is the most attractive metal from a metallurgical perspective, with the potential for conventional flotation recovering about 80% of the copper value. Gold values are expected to report with copper and may have a potential recovery of about 60%. Uranium, thorium, and the LREEs occur both together and separately from the copper, which may permit them to be extracted using standard rare earth oxide leach-extraction techniques, albeit at a high cost of treatment. Cobalt values are low and would not warrant extraction.

Table 1. Resource Table at increasing CuEq (%) cutoffs

Cut-off CuEq (%)	Tonnage (t)	CuEq (%)	Cu (%)	Cu (t)	Cu (lbs) (x1000)	Au (g/t)	Au (oz)
0.10	64,340,000	0.34	0.31	201,000	443,129	0.05	94,000
0.20	32,770,000	0.54	0.49	160,000	352,740	0.08	79,000
0.25	26,100,000	0.62	0.56	146,000	321,875	0.09	74,000
0.30	22,810,000	0.67	0.60	138,000	304,238	0.10	71,000
0.40	17,810,000	0.76	0.68	121,000	266,759	0.12	66,000
0.50	15,050,000	0.82	0.73	110,000	242,509	0.13	63,000
0.60	12,470,000	0.88	0.77	96,000	211,644	0.15	60,000
0.70	9,310,000	0.95	0.82	77,000	169,756	0.19	56,000
0.80	6,460,000	1.04	0.87	56,000	123,459	0.25	51,000

Notes to Accompany Mineral Resource Estimate:

1. Geological modelling and data acquisition was undertaken by CYU geological staff.
2. Metal domain and block model with grade estimate prepared by Mr. Steven Ristorcelli C.P.G who is a full-time employee of Mine Development Associates.
3. Gold assays by 30-gram fire assay with AAS finish, copper, cobalt, uranium, thorium and other elements assays by multi-acid digestion with ICP-MS or ICP-AES; all assays undertaken by ALS Chemex, Mount Isa, QLD.
4. In-situ bulk density values ranging from 3.19 t/m³ to 3.52 t/m³ were assigned based on lithology.
5. A geological block model with block sizes of 5m x 5m x 10m was constructed.
6. Cu and Au grades were estimated using inverse distance squared interpolation within parent blocks constrained within two metal domains, with a minimum of one sample, maximum of four samples per drill hole and a maximum of 16 samples per block estimate.
7. High-grade capping was applied to the sample data prior to compositing to 5m lengths: at 1% Cu and 3% Cu, for the low-grade and high-grade copper domains, respectively, 1.5g Au g/t and not capped for the low and high-grade domains of gold, respectively.
8. QA/QC checks on sampling and assaying quality are satisfactory.
9. The reported mineral resource estimate has been rounded to appropriate significant figures
10. Copper Equivalent (CuEq%) = Cu (%) + (Au (g/t) x 0.70216)

Elaine 1 is a unique deposit with multiple phases of mineralisation and multiple important metals. An interpreted extension of the Mary Kathleen shear zone controls mineralisation along a northeast strike with a steep southeast dip. Copper, cobalt, and gold are generally restricted to the shear zone, while uranium, thorium, and the LREE's extend outside of, and envelop, the shear. Stratiform limbs of mineralization also extend out to the southeast and dip north-northeast at about 60°, apparently paralleling original bedding in calc-silicate/garnetite. Copper, gold, cobalt, and LREEs occur as replacement-style mineralization with uranium and thorium, which is analogous to the Mary Kathleen deposit about 6km to the north.

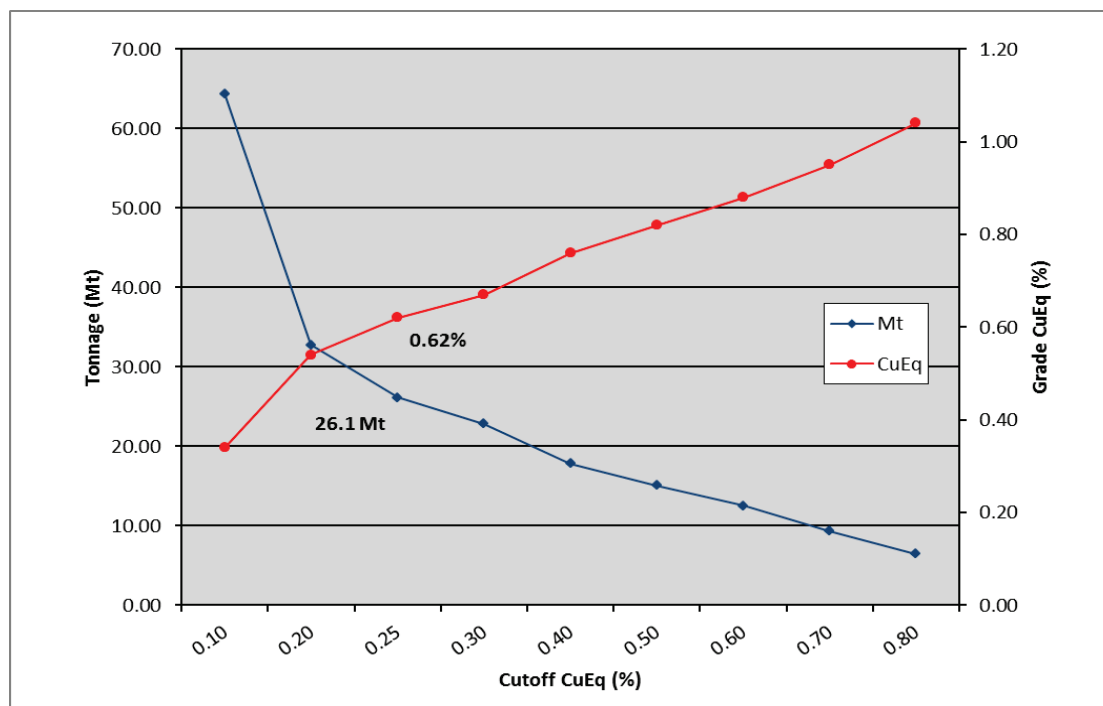


Figure 1. Grade tonnage curve for Copper Equivalent.

Competent Person's Statement

The information in this report that relates to Inferred Resource is based on information compiled by Steven Ristorcelli, who is a Certified Professional Geologist with the American Institute of Professional Geologists, a "Recognised Overseas Professional Organisation", is Principal Geologist with Mine Development Associates of Reno, Nevada, USA. Mr Ristorcelli 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 Ristorcelli consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information regarding the Exploration Activities on the Elaine Copper 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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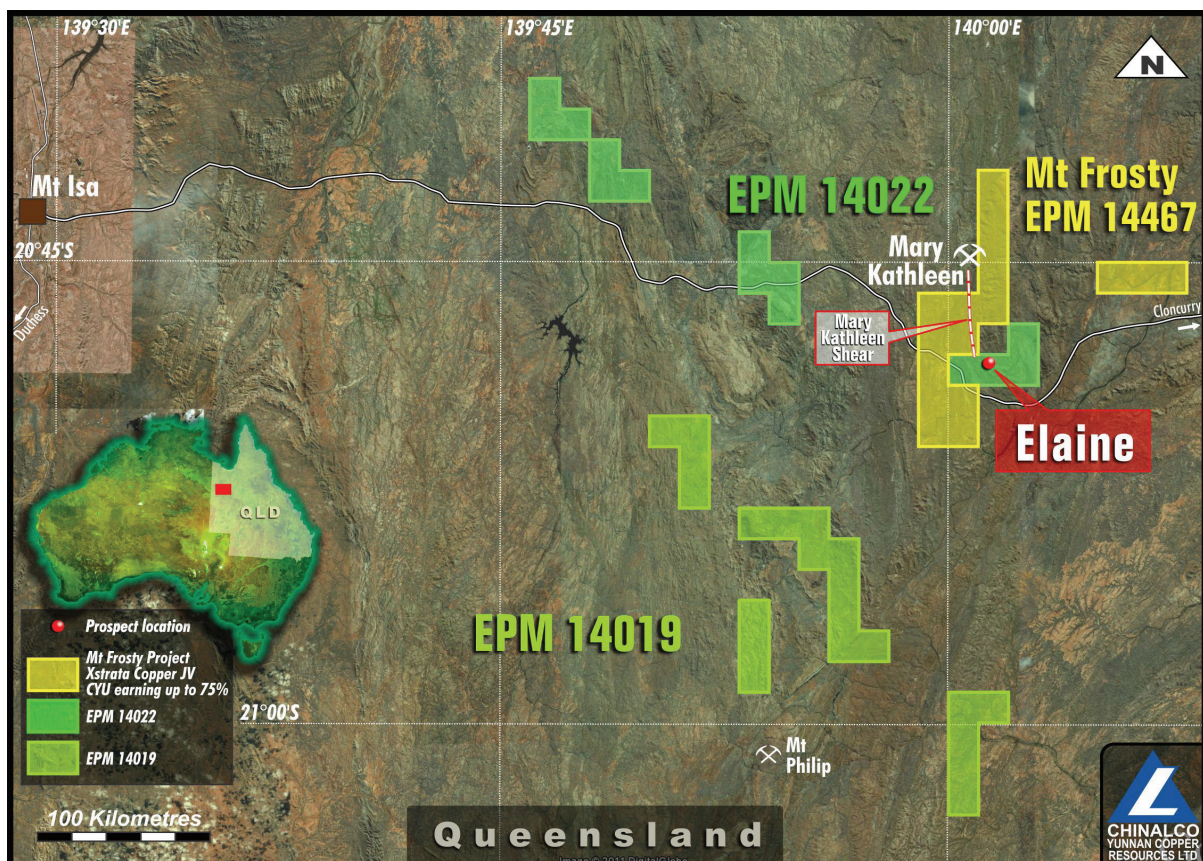
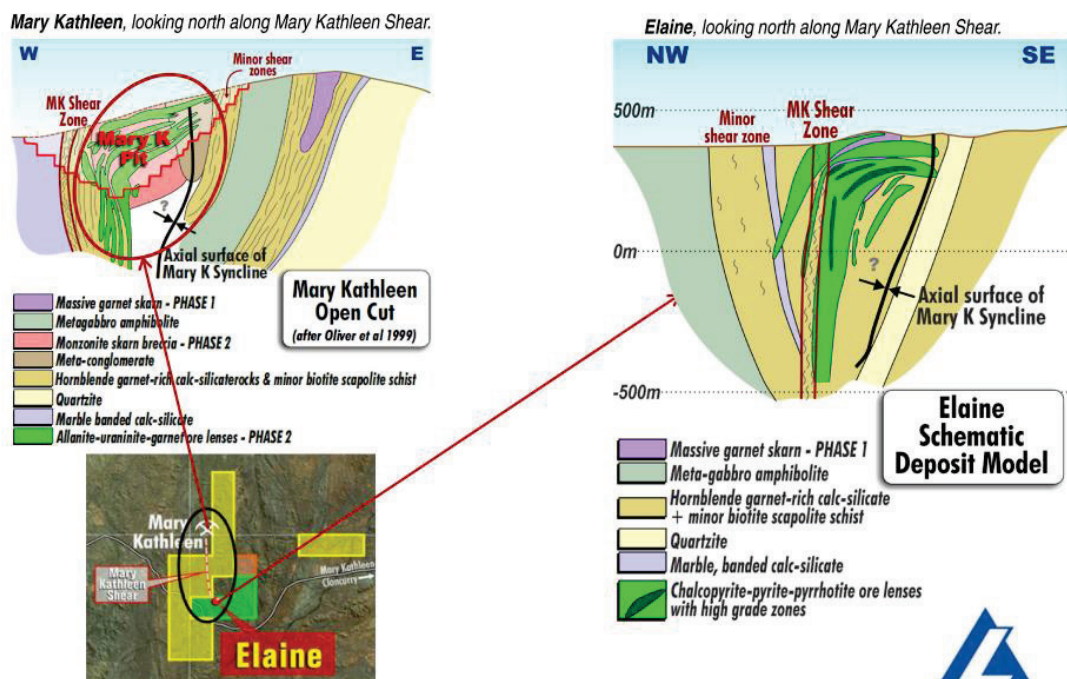


Figure 2. Elaine Project Location Plan, Elaine has characteristic of the Mary Kathleen Deposit situated 6km to the north along the metal endowed regional Mary Kathleen Shear.



Suggestive that the 6km **untested** shear between Mary Kathleen and Elaine is host to **multiple deposits**. CHINALCO YUNNAN COPPER RESOURCES

Figure 3. Schematic comparison of the historical Mary Kathleen Uranium Mine and the Elaine 1 Copper-Gold prospect. Both Mary K and Elaine are situated either end of a major structural feature (Mary K Shear) which is considered the conduit for metal rich fluids. Both deposits are characterised by this distinctive shepherd's crook shape.

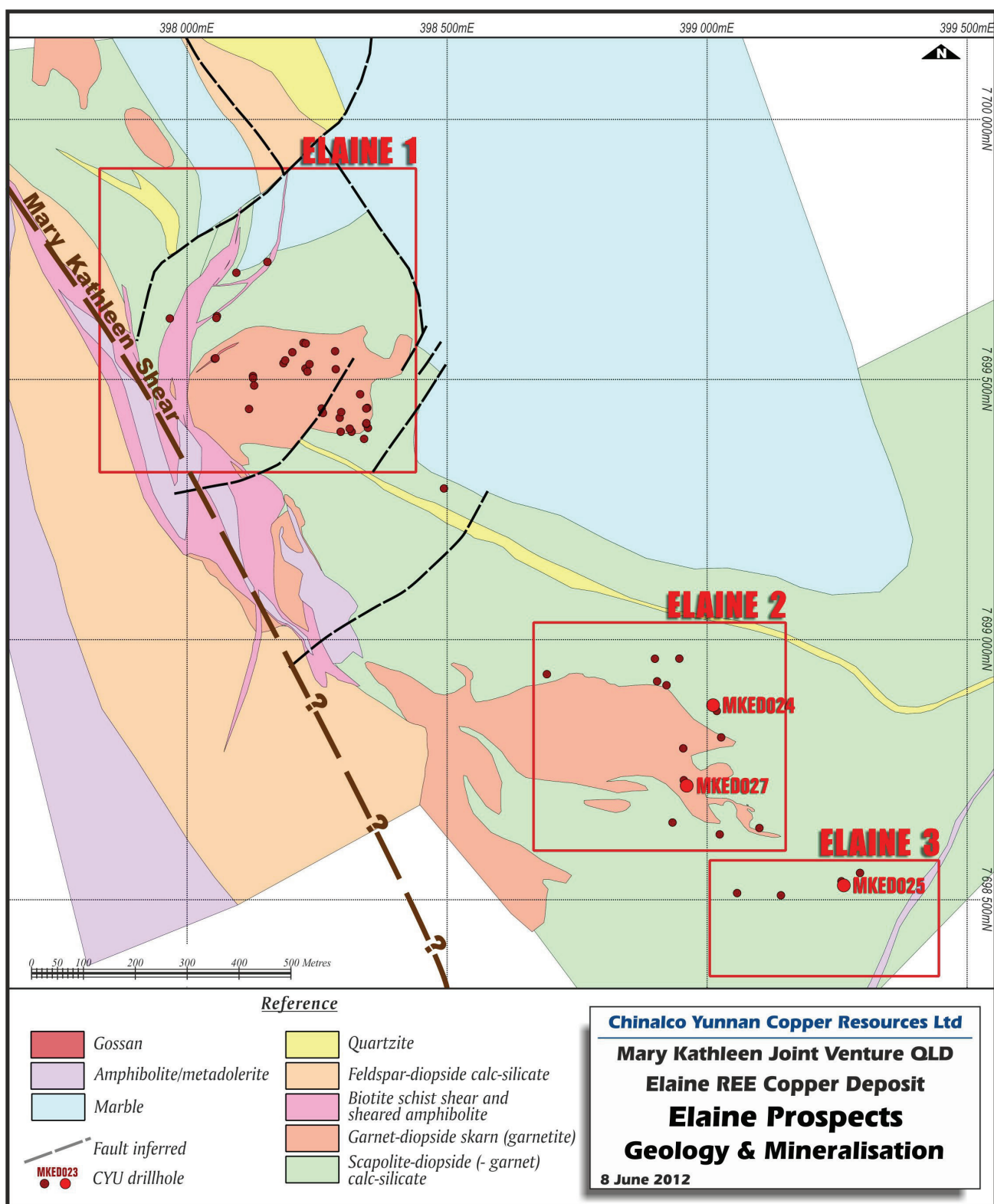


Figure 4. Elaine 1, 2 & 3 prospect location plan showing the previous inferred position of the Mary Kathleen shear. Mineralisation is expected to continue down the western and on the southern side Elaine 1 garnet hill and continue along the shear to the Elaine 2 and 3 prospects

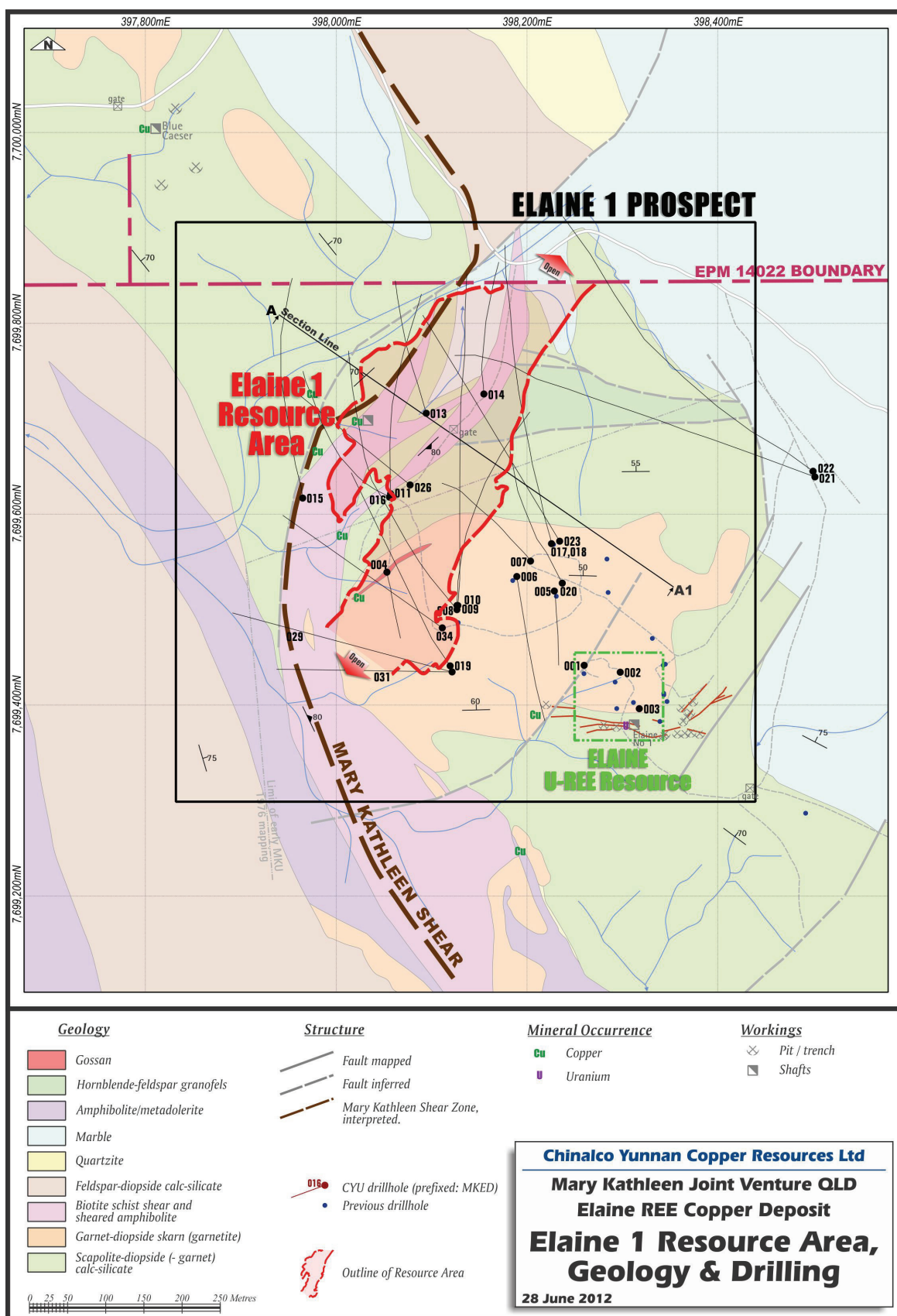


Figure 5. Simplified map showing north side of the Elaine garnet hill. Mineralisation is expected to continue down the western side and on the southern side of the hill and merge with the U-REE resource where untested copper outcrops occur.

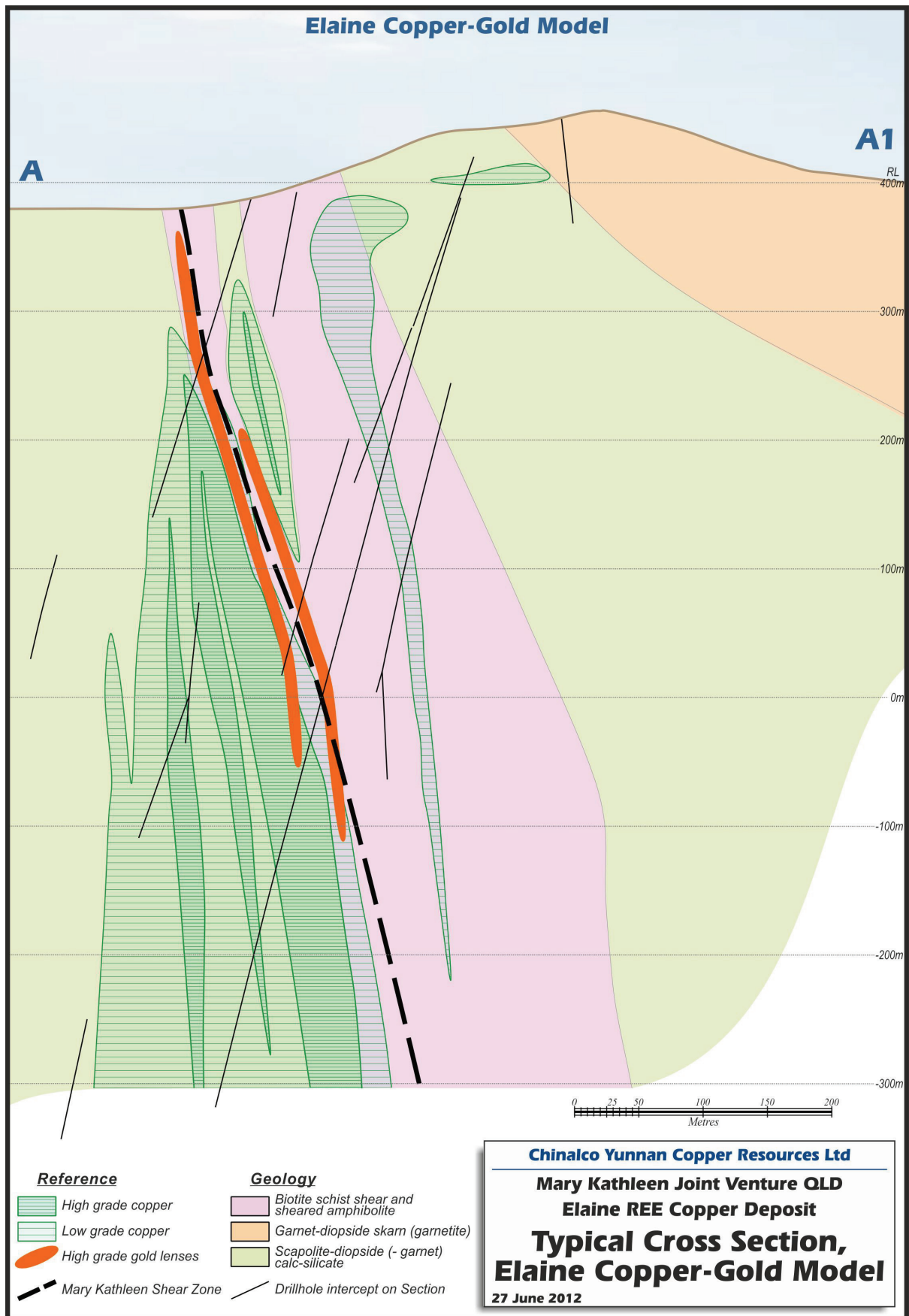


Figure 6. Typical Cross Section of the Elaine Copper-Gold Model – Section 10400.