

Update on metallurgical diamond hole drilled at Elaine Project

- Metallurgical hole – MKED036 has been finished at Elaine to a depth of 896.98m, completing drilling operation for 2012 field season.
- Assay results to 506m have been received and are highlighted by **22m @ 1.24% copper and 0.10g/t gold** from 232m at 1% copper cut-off.
- The intercept is within a zone of 49m @ 0.80% copper and 0.06g/t gold from 231m at 0.25% copper cut-off, contained in a broader mineralised zone of 167m @ 0.50% copper and 0.05g/t gold.
- Metallurgical samples are to be dispatched to ALS (Adelaide) this week.

Chinalco Yunnan Copper Resources Limited (CYU:ASX) and Goldsearch Limited (GSE:ASX) would like to provide an update on drill operations at the Elaine prospect, that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**), Mt Isa, Queensland. CYU has a 70% interest in the joint venture and GSE 30%.

Drilling of vertical diamond drillhole, MKED036, has been completed with the hole reaching 896.98m in depth. Assay results for the first 506m have been received, with significant copper mineralisation highlighted by **49m @ 0.80% copper and 0.06g/t gold** from 231m including **22m @ 1.24% copper and 0.10g/t gold** from 232m. This intersection is contained in a broad sulphide (pyrrhotite + chalcopyrite +/- pyrite) mineralised zone of 167m @ 0.50% copper and 0.05g/t gold from 231m that is being used for metallurgical testwork. Assays are pending for the remainder of the hole.

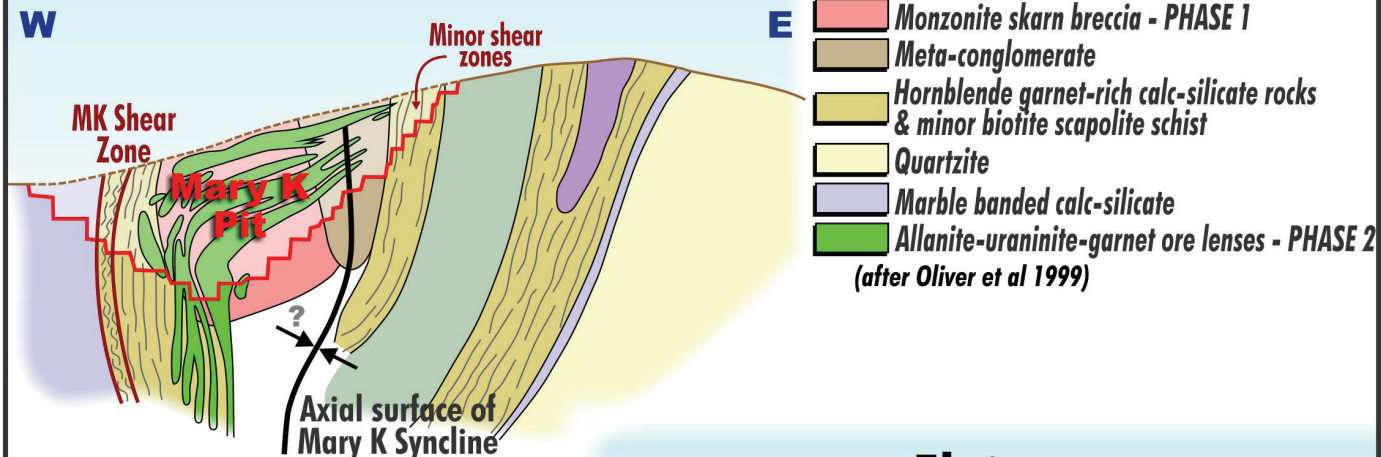
MKED036 was designed primarily for metallurgical testwork to obtain samples to measure copper and gold recovery rates within the previously announced 27.7Mt Elaine copper-gold inferred resource. The assays confirm the significant sulphide mineralisation zone identified and targeted for testwork sampling. The samples are being prepared for dispatch to ALS Metallurgy lab (Adelaide) this week with results expected to be returned within Q1 2013.

In addition MKED036 has been extended to test the continuity and depth extent of >1.2km geophysical anomalies defined by a recently completed surface EH4 geophysical orientation line over the prospective Mary Kathleen Shear Zone. Good correlation and continuity between the EH4 anomalies and sulphide mineralisation has been demonstrated. MKED036 was drilled 120m to the northeast of the EH4 survey line (**Figures 2 and 3**).

In this campaign, a total of 1,066.10m has been drilled in two holes, MKED035 (169.12m) and MKED036 (896.98m). Drilling will now commence on further new targets in the Mount Frosty JV area adjacent to Elaine prospect in Q1 2013 depending on wet season conditions. Based on the success of the EH4 orientation line, a detailed EH4 survey targeting the 12km strike length of the Mary Kathleen Shear Zone will be undertaken. EH4 is a passive American designed deep penetrating MT (magnetotellurics) / EM (electromagnetics) geophysical method capable of reading to 1.2km. The main focus will be to identify and develop commercial copper and gold resources within the MKJV leases and the Xstrata Copper Mt Frosty joint venture area.

Mary Kathleen

looking north along Mary Kathleen Shear



Elaine

looking north along Mary Kathleen Shear

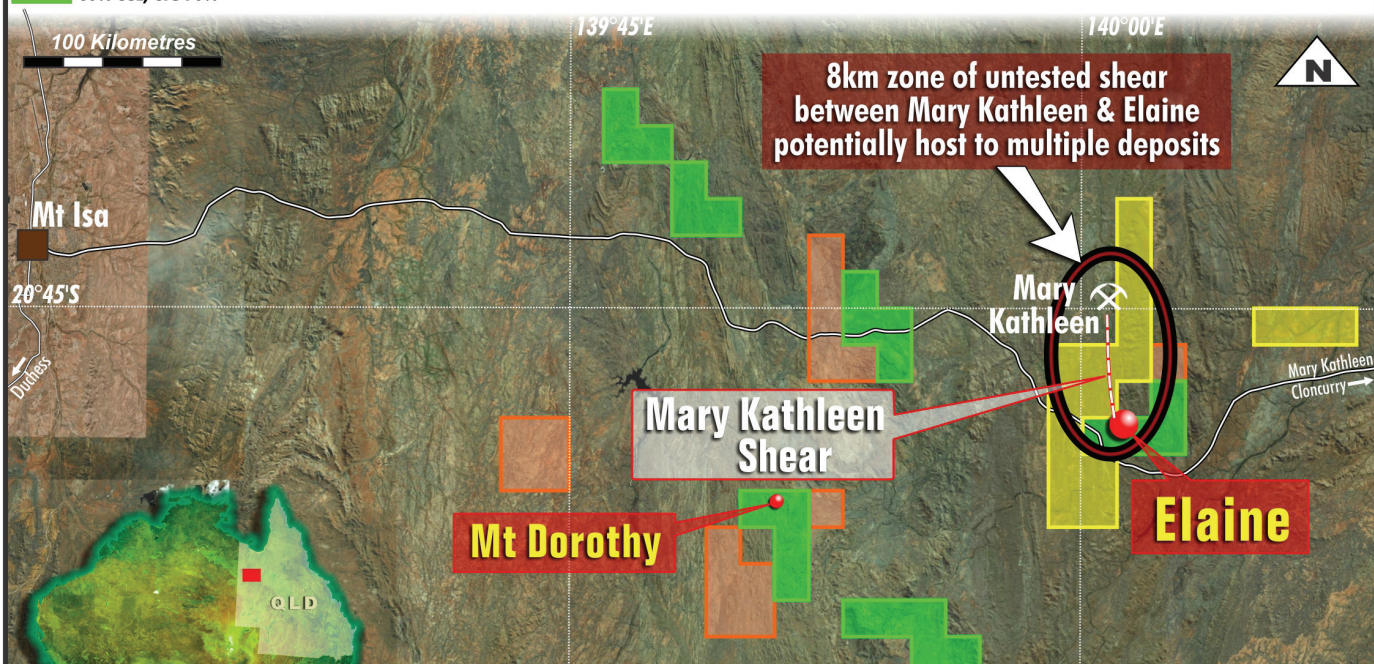
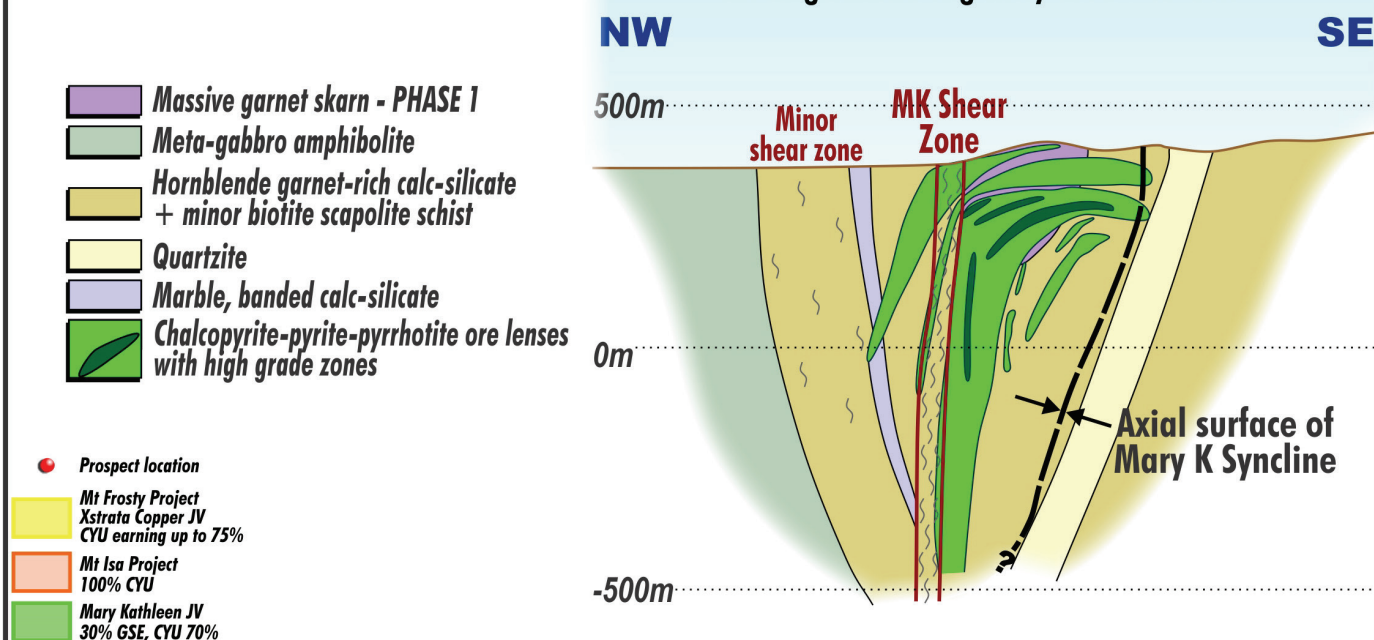


Figure 1. Similarities between the deposit models of the Mary Kathleen uranium deposit and the Elaine copper – gold resource. The two resources are situated along the regional significant structure – “Mary Kathleen Shear Zone” currently under investigation by the Mary Kathleen JV.

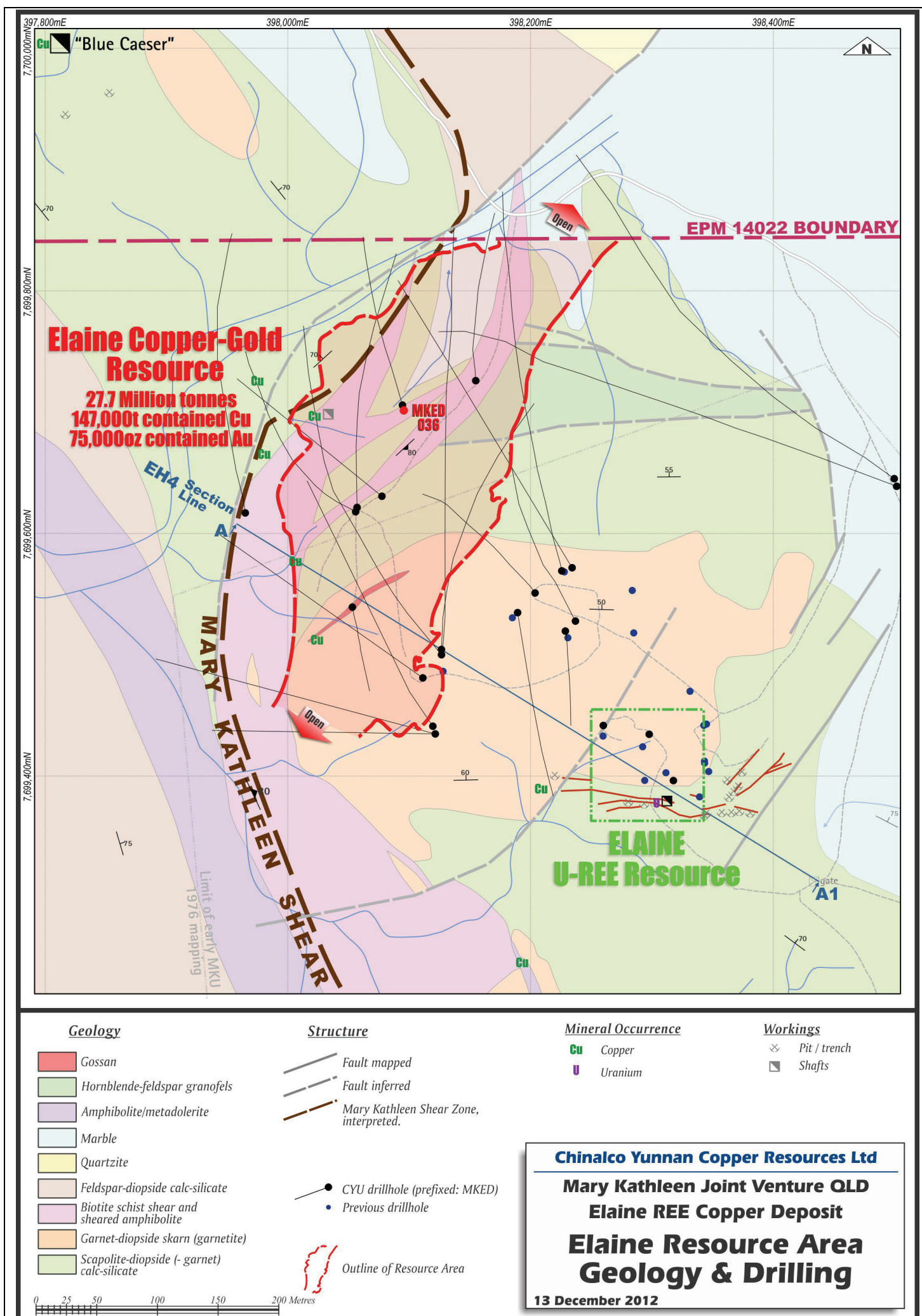


Figure 2: Elaine prospect – resource, drill hole and EH4 Section location plan

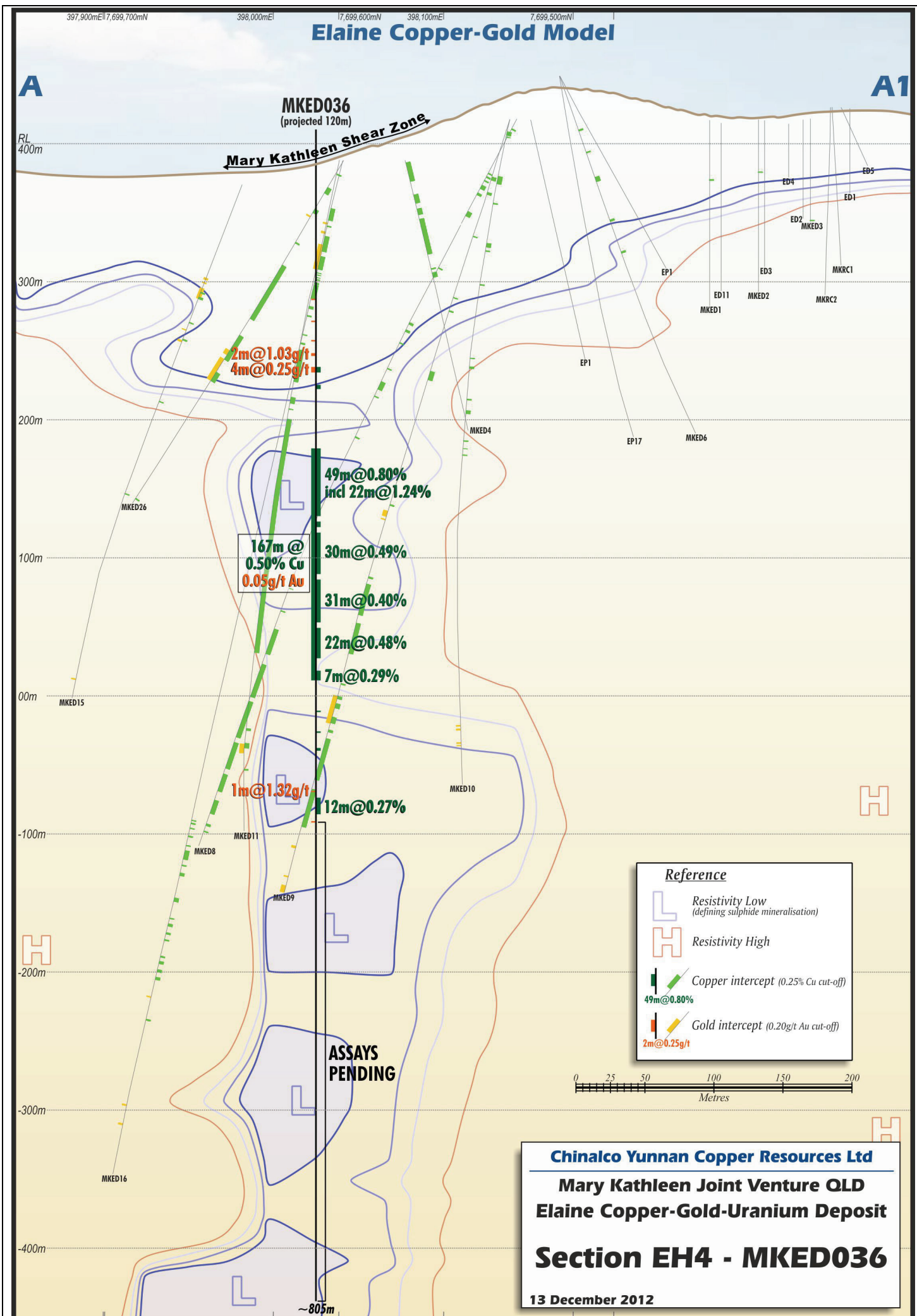


Figure 3: Elaine prospect – Schematic Section MKED036 projected on the EH4 section situated 120m to southeast.

Table 1: MKED036 – Drillhole location. Depth as at 10th December 2012.

Hole_ID	East *	North *	RL (m)	Azi (°)	Dip (°)	Depth (m)
MKED036	398,095	7,699,705	385	N/A	-90	845 ⁽¹⁾

* Datum : UTM – MGA94 Zone 54.

¹. Drilling continuing

Table 2: Significant copper+gold intersections at 0.25% copper cut-off with max 3m internal dilution.

Hole_ID	mFrom	mTo	Width	Cut off	Au (g/t)	Cu (%)
MKED036	123	124	1		0.15	0.00
MKED036	139	140	1	0.20g/t Au	0.27	0.00
MKED036	153	154	1	0.20g/t Au	0.37	0.07
MKED036	162	164	2	0.20g/t Au	1.03	0.12
MKED036	172	176	4		0.25	0.34
MKED036	185	188	3		0.02	0.47
MKED036	231	280	49		0.06	0.80
inc	231	262	31	0.5% Cu	0.08	1.06
inc	232	254	22	1.0% Cu	0.10	1.24
MKED036	284	288	4		0.06	0.43
MKED036	292	322	30		0.08	0.49
MKED036	326	357	31		0.05	0.40
MKED036	361	383	22		0.03	0.48
MKED036	391	398	7		0.02	0.29
MKED036	421	422	1		0.01	0.42
MKED036	436	437	1		0.01	0.42
MKED036	448	450	2		0.06	0.51
MKED036	479	480	1		1.32	0.14
MKED036	484	496	12		0.04	0.27
MKED036	501	502	1		0.11	0.17

Competent Person's Statements

The information regarding to Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by 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.

The information in this report that relates to the Inferred Copper/Gold Resource at the Elaine Project 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". Mr Ristorcelli 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 related to the Inferred resource in the form and context in which it appears.

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