



ASX/Media Announcement

21 March 2011

Cloncurry North Projects – Chinese Approval for \$5 Million Farm-in

China Yunnan Copper Australia Limited (**ASX Code: CYU**)
Yunnan Copper Mineral Resources Exploration and Development Co. Ltd (**YEX**).

\$A5 MILLION FARMIN TO CLONCURRY NORTH PROJECTS, QUEENSLAND (EPM12205, EPM15084, EPM15095 AND EPM 16393)

The Farmout of CYU's Cloncurry properties has been formally approved as per the letter of intent (LOI) between CYU and YEX announced on 3rd February. CYU and YEX have now executed the Cloncurry North Projects Joint Venture Agreement ("Agreement") in order for YEX to farm in and subsequently obtain the opportunity of earning up to 55% and potentially higher under standard dilution formulas.

Based on the Letter of Intent announced on 3 February 2011, the Agreement grants YEX the exclusive right to earn up to 55% participating interest in the Cloncurry North Projects Joint Venture by incurring expenditure of \$A5,000,000 on the Tenements in 3 years. YEX is a subsidiary of Yunnan Copper Group (Industry) Co Ltd and a group member of Chinalco.

An Operation Committee will be formed between CYU and YEX to supervise the future exploration work. YEX personnel will participate in field operations in the Cloncurry North Projects to test a series of targets including the previously announced Gem Resource which remains open to the south and deep.

The CYU Cloncurry North Projects Joint Venture Agreement is subject to FIRB approval and (if required) CYU shareholder approval. Chinese regulatory approvals are now in place.

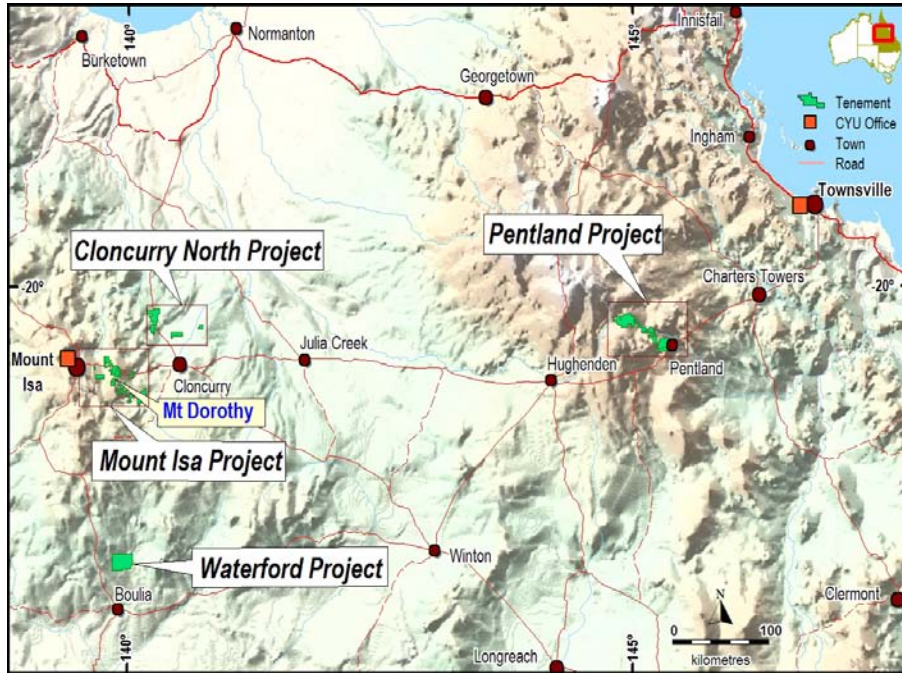


Figure 1. Australian Projects of CYU. Cloncurry North and Waterford Projects consist Ernest Henry style copper gold targets and sedimentary uranium targets at Malakoff and Waterford.

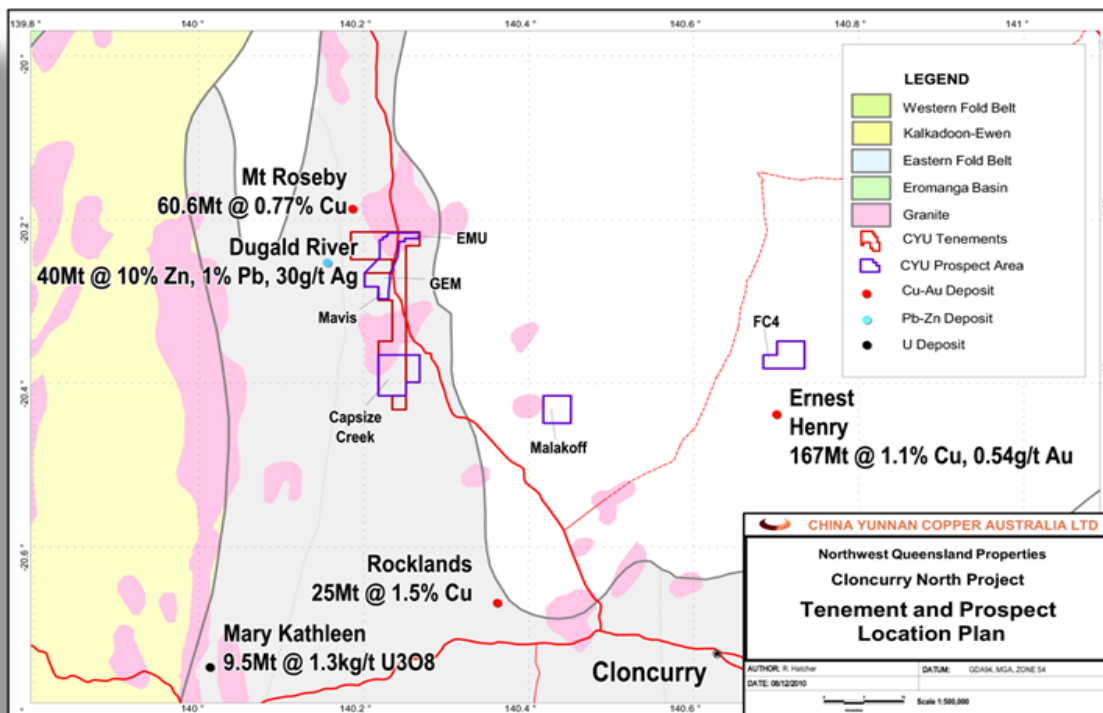


Figure 2. YEX will attempt to grow the Gem Copper Inferred Resource (currently 492,000 tonnes @ 0.5% copper and 0.2g/t gold), review possibilities for the Uranium Malakoff prospect and test at depth the FC4 and Emu prospects north of Ernest Henry.



Competent Person Statement

The data in this report that relates to Mineral Resources for the Gem Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd (YCI), is one of China's largest copper producers and is a subsidiary of Chinalco.

Apart from the Mt Dorothy and Elaine Dorothy REE Copper exploration program and the YEX Cloncurry North Joint Venture Agreement other current activities include;

- Finalisation of an investment in a Chinese registered company that owns copper and precious metal exploration projects in Northern Laos. It is intended that CYU will own 51% of this Company with the balance being owned by Yunnan Copper Industry (Group) Co Ltd directly and indirectly. The strategy of the Company is to further explore the Northern Laos projects and target copper and precious metal production within twelve months. In addition the Company will focus on identifying other base metal and precious metal investments and projects in China and South East Asia.
- Chilean Exploration program for copper gold porphyry projects with the current Humito project and a project generation being ongoing.

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