

MARCH 2009 QUARTERLY REPORT

ABOUT CHINA YUNNAN COPPER AUSTRALIA

CYU is an Australian resource company formed to explore and develop minerals in Australia and overseas.

Initially, the company is focused on exploring its tenements in Queensland for copper, gold and uranium but is actively evaluating other acquisition and joint venture opportunities to grow its business rapidly.

This strategy is supported and assisted by CYU's cornerstone shareholder, Yunnan Copper Industry (Group) Co Ltd. (YCI) which is China's third largest copper producer.

YCI provides ongoing support in CYU's role of becoming YCI's international investment arm and mining house.

China Yunnan Copper Australia Limited
ABN:29 070 859 522
Level 5
60 Edward Street
Brisbane 4000 Australia

Phone (61 7) 3303 0653
Fax (61 7) 3303 0601

www.cycal.com.au

Norm Zillman, Co-Chairman
Chao Yang, Co-Chairman
Jason Beckton, MD
Zewen Yang, Exec. Dir
Mark Elliott, Non-Exec. Dir
Liang Zhong, Non-Exec. Dir

DRILLING OF TARGETS TO COMMENCE IMMEDIATELY AT MT ISA, CLONCURRY, PENTLAND

New Projects

- Ongoing review of project opportunities in Australia, Latin America, Asia and Africa.

Pentland

- High grade gold drill results from Toomba reported previously to be followed up when access is available. Significant wet season has restricted access to late April.
- Previously reported results included 4 metres at 13.9 g/t gold from 43 metres, PC005 (including 1 meter at 50.59 g/t gold, 0.5% copper, 1.5% lead and 3.3 % zinc).

Cloncurry

- Detailed ground magnetic program to be completed to define follow up drilling after Emu (previously reported 6 metres at 0.34% copper, 0.08g/t gold from 105 metres including 1 metre at 1.02% copper, 0.38g/t gold from 106 metres). Diamond Drilling planned for late May.
- Gem Prospect to be RC drilled in early May following ground magnetic, soils geochemical and Niton XRF program of February 2009.

Mt Isa

- RC Drilling of Mt Colin West area to commence mid – late April. Targets generated from ground magnetics, soil geochemistry and pending 3D MIMDAS survey.
- Ongoing sampling and mapping of mineralised structures will recommence subject to access post wet season. Copper - Gold – Uranium drill targets to be proposed at Huggins and Little Isa.

Clermont

- Field mapping and sampling completed. Additional mapping and trenching needed to determine endowment of Permian age gold deposits.

Ravenswood

- Project Review completed. Ground position relinquished except for most prospective holdings. Follow up sampling planned.

Corporate

- Cash approximately \$2.35 million at 31 March 2009.

STRATEGY

CYU has a two pronged strategy of project generation and operating current projects that comprise high quality copper, gold and uranium projects in eleven wholly owned Exploration Permit for Minerals (EPM's) in the highly mineralised Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier of Queensland, Australia (Figure 1).

Significant results have been generated from greenfields prospects after one year as a listed entity, with field programs conducted on the Cloncurry, Mt Isa, Clermont and Pentland projects. Details of these programs are outlined below. All tenements are 100% owned by the company.

The future of this company is secure with an existing exploration portfolio in Australia and a first class exploration team with three operational offices currently active in northern Queensland. This combined with an active project acquisition program with the objective of the transformation of CYU from explorer to producer in the short term.

PROJECT AQUISION

CYU has undertaken field operations on the Cloncurry, Mt Isa, Pentland and Clermont projects and will soon commence work on the Ravenswood Project. In parallel, CYU management is evaluating multiple acquisition opportunities in Australia and offshore. Although the current market conditions have reduced the premium required to enter into advanced projects, CYU will be prudent in any acquisition in terms of long term viability in the prevailing metals pricing regime.

CURRENT PROJECTS

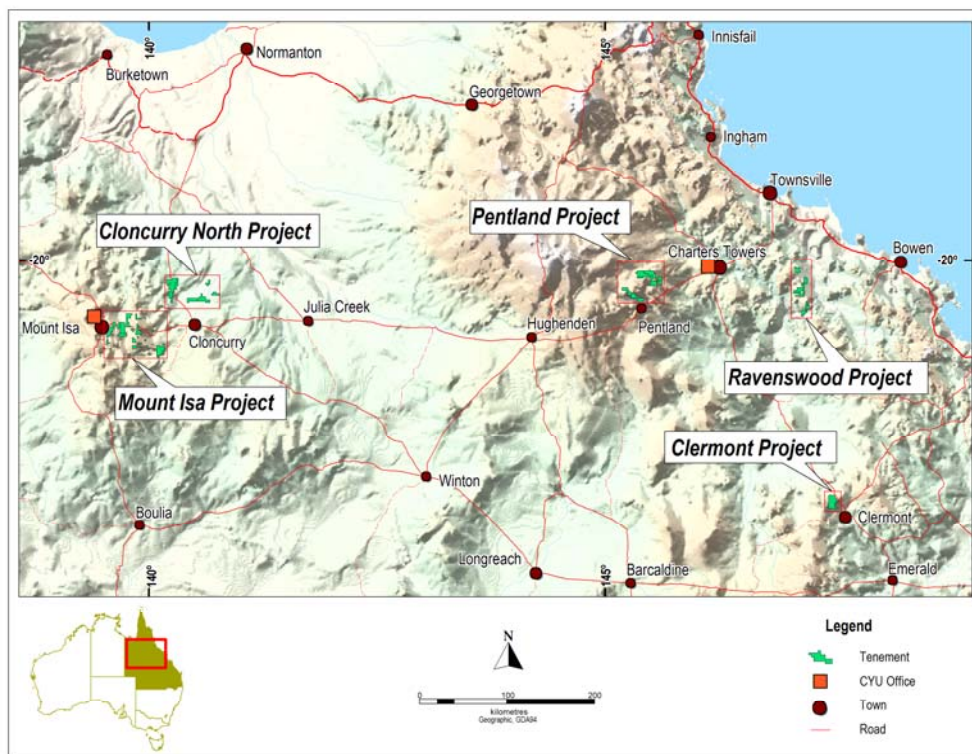


Figure 1. Location of CYU's North Queensland projects. Operational offices/depots are now in place at Mt Isa, Cloncurry and Charters Towers.

NORTH EAST QUEENSLAND - PENTLAND (100% CYU)

The Toomba Prospect (**Figure 2**) has extensive historic workings and traces of mineralisation over an area of 1.5 kilometres by 1 kilometre. Early drill results will be extended at depth to test a link between structural mineralisation intercepted to date and potential high tonnage intrusive mineralisation at depth. Program details are detailed in Table 1 and were released to the ASX on the 5th of January. Highlights from the results include;

4 metres at 13.9 g/t gold from 43 metres, PC005 (including 1 metre at 50.59g/t gold, 0.5% copper, 1.5% lead and 3.3 % zinc).

4 metres at 0.6 g/t gold from 82 metres, PC014 (including 1 metre at 1.6g/t gold, 0.14% copper, 0.6% lead and 0.5 % zinc).

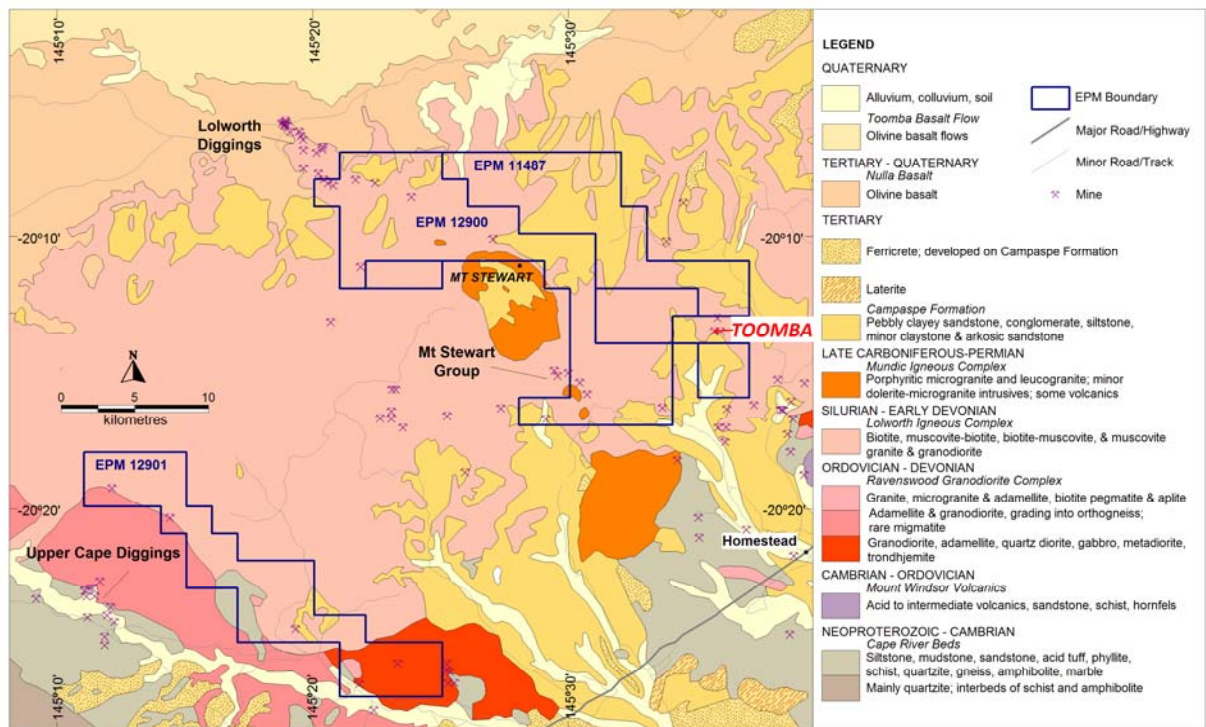


Figure 2: Toomba Prospect Location Map showing district geology.

Toomba was identified from reconnaissance mapping, sampling and data collation of previously collected samples.

An IP geophysical survey completed in the previous quarter generated three distinct classes of anomalies over Toomba. A group of north west trending IP anomalies appear to correspond to the regional tectonic fabric seen clearly in aeromagnetic surveys. Weaker, high-angle, planar anomalies are coincident with the known vein structures, especially the Old Toomba workings. A group of broad anomalies occur at 150 metres to 200 metres depth in the south west and nearer surface in the east. These may represent larger, disseminated or breccia-hosted mineralisation at depth.

The structures intercepted generally occur at relatively shallow depths (35 metres to 80 metres) from surface. This confirms the presence of potentially high-grade mineralisation continuing at depth. Detailed modeling of the grades and alteration will help target the potential bulk-volume breccia or stockwork type target proposed at depth. Drilling is planned for late May subject to access after a significant wet season in the district.

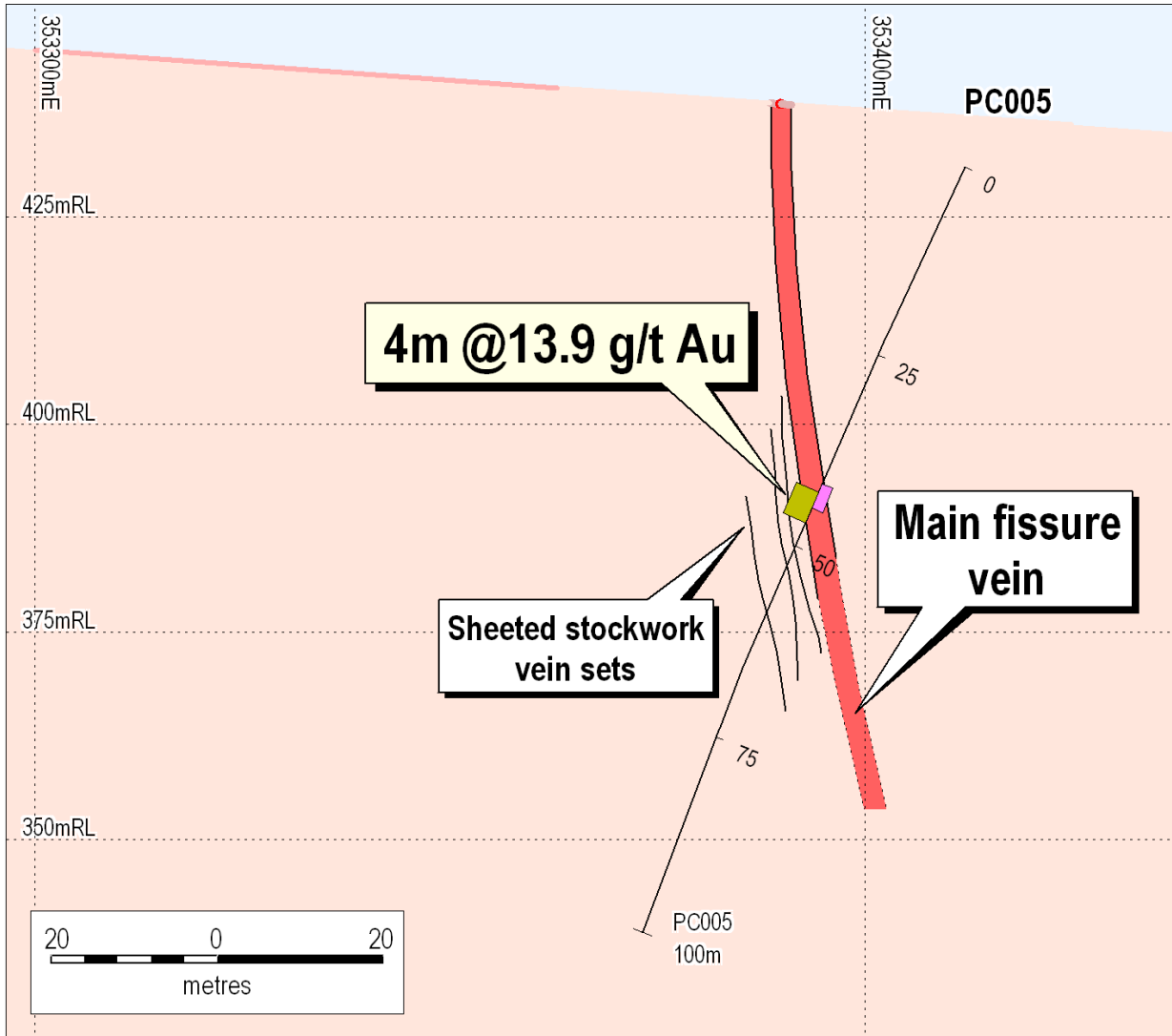


Figure 3: An example of a section from Toomba Prospect for PC005. Footwall sheeted vein sets are characterized by sericite alteration and minor mineralisation. Diamond drilling at depth and along strike is proposed to improve geological confidence in this potential new gold discovery.

NOTH WEST QUEENSLAND - CLONCURRY (100% CYU)

The Cloncurry exploration program continued with the development of prospects Emu, Mavis and Gem. FC4 was relogged and modeled in 3D to generate a deep drilling target. (**Figure 4**).

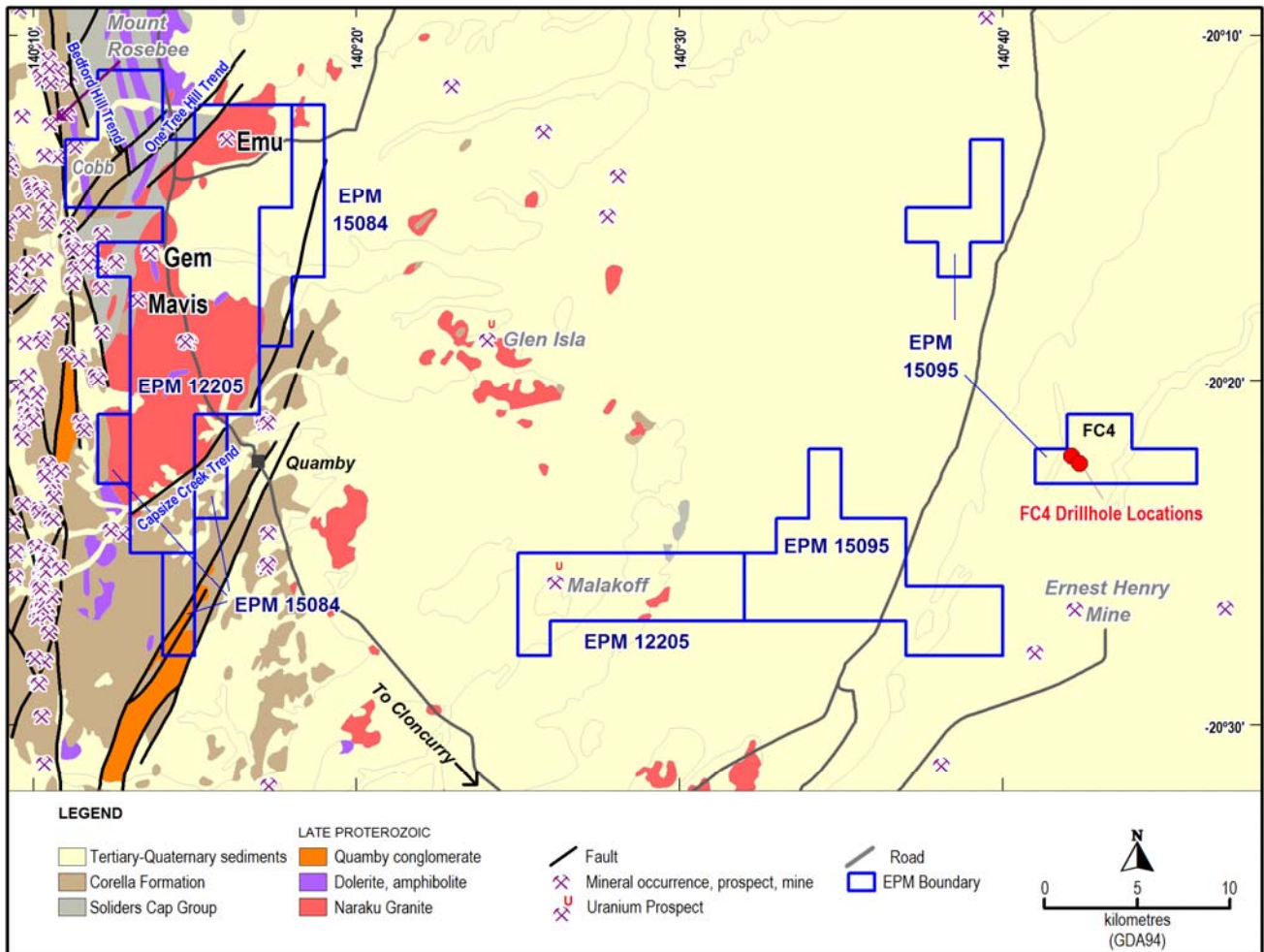


Figure 4. The Cloncurry Project targets investigated in the March 2009 Quarter.

CYU's Northwest Holding, comprising the Mount Isa and Cloncurry North projects (**Figure 4**) is located in the Proterozoic Mount Isa Inlier of northwest Queensland. The Mount Isa Inlier contains several world-class metal deposits including Mount Isa (copper-lead-zinc-silver), Century (zinc-lead-silver), Cannington (lead-zinc-silver) and Ernest Henry (copper-gold). CYU is focusing on discovering iron oxide-copper-gold (IOCG) deposits similar to Ernest Henry, Eloise and Osborne within the Mount Isa Inlier.

Extensive geochemical soil surveying, Niton XRF, prospect scale mapping and ground geophysical surveys have been conducted over the Gem Prospect to generate a number of targets for RC drilling. The relogging program for FC4 was completed. The information has been uploaded into 3D software 'Surpac' and after geophysical interpretation a proposed diamond drilling program is being planned to follow an undrilled - demagnetized higher grade copper zone.

With no field access in January and February due to rainfall, work commenced during March with soil geochemical surveys being conducted over the Gem Prospect. Co-incident with the geochemical program an orientation Niton Hand held XRF survey was conducted over the Gem soil grid.

A prospect scale geological mapping program (1:2500 scale) was also completed over the Gem Prospect.

Encouraging drill results as reported on the 23rd October 2008, are being followed up with deep drilling proposed at Emu, RC drilling at Gem and additional surface work for Mavis. Results to date include;

- 19 metres at 0.21% copper, 0.04g/t gold from 105 metres including 6 metres at 0.34% copper, 0.08g/t gold from 105 metres from the Emu Prospect (inc. 1 metre @ 1.02% copper, 0.38g/t gold from 106 metres).
- 6 metres at 0.31% copper, 0.04g/t gold from 15 metres including 5 metres at 0.36% copper, 0.05g/t gold from 15 metres from the Cobb Prospect.

Access to diamond core previously drilled by WMC and MIM for the FC4 Prospect was facilitated by Xstrata. This allowed comparison of CYU holes drilled in 2008 and most previous holes of the FC4 drill database to be assimilated and a magnetic and alteration model to be completed.

The key aspect for the Cloncurry North Project is lack of previous drilling on robust copper – gold targets which will continue to be evaluated, ranked and drilled by CYU.

NORTH WEST QUEENSLAND - MT ISA (100% CYU)

Field work commenced during March with the ground magnetic survey being completed over the Mount Colin West Prospect. A soil geochemical survey was also carried out over the prospect but at reporting data results have yet to be returned. All publically released data pertaining to Exco Resources Mount Colin deposit drill programs was collated and imported into Surpac for a 3D visualization of possible strike extension to the known Exco Resources Limited resource of 667,200 tons @ 3.43% Cu.

Additional soil geochemical surveys are planned at Huggins Lookout and Yarraman.

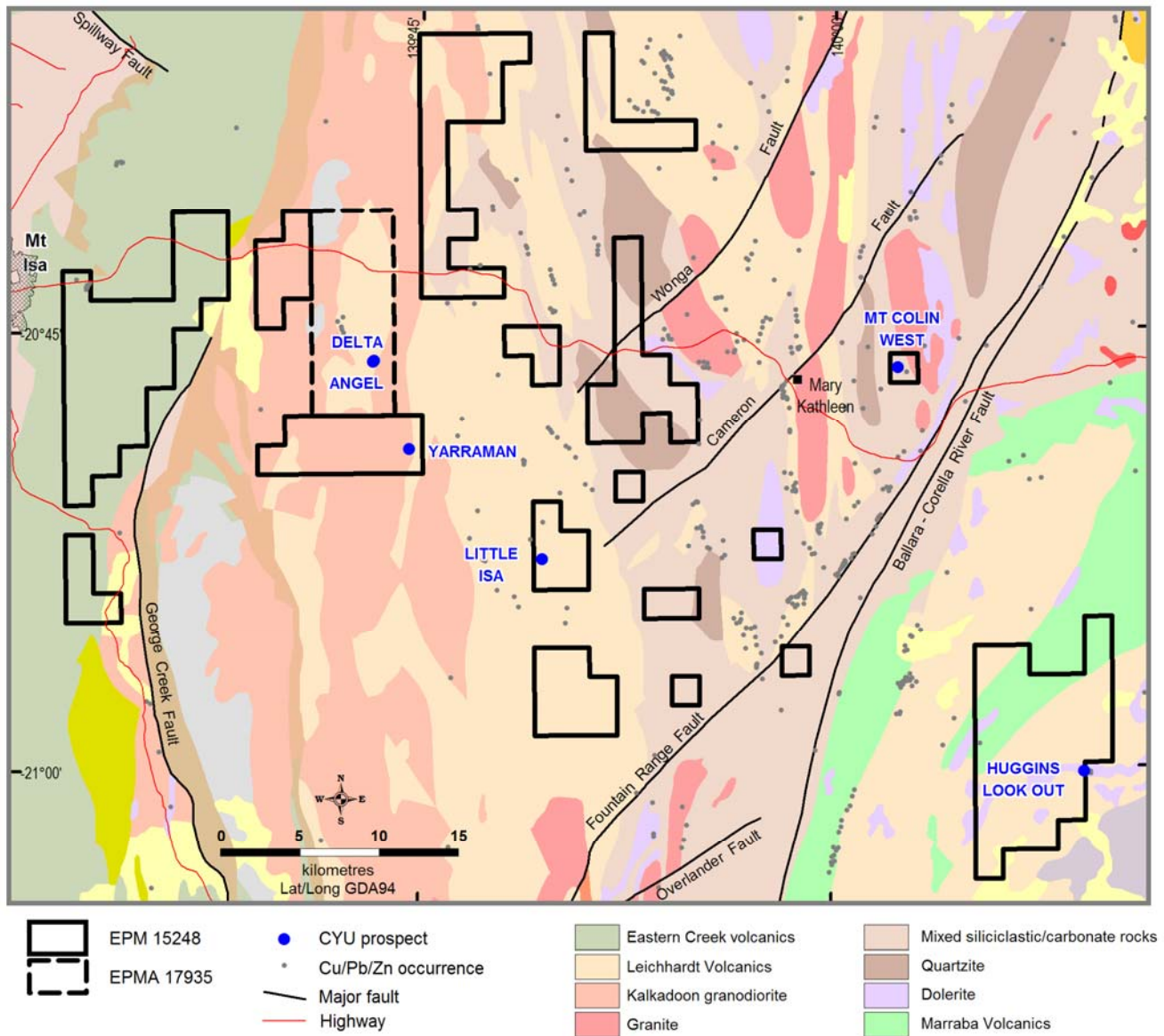


Figure 5. The Mt Isa Project has highly prospective drill targets 50km across strike from Mt Isa. Most prospects as highlighted have not been previously drilled despite significant copper and gold results. CYU will systematically drill test these ranked targets commencing with Mt Colin West in early May.

NORTH EAST QUEENSLAND - CLERMONT (100% CYU)

The Clermont region contains the most significant deep lead gold deposits in Queensland and includes areas such as Miclere, Black Ridge, Cement Hill, and Hurley's. Two main types of deep leads have been recognised: basal conglomerate wash in Permian sediments and Tertiary wash beneath the basalt. A large part of the historical alluvial gold production came from within CYU's EPM 12928. Reconnaissance work in March covered the CYU EPM 12928.

The EPM was found to be largely covered by reworked alluvial material and very little outcrop of bedrock. Much of the area has been disturbed by alluvial miners, historically using hand methods and in modern times using bulldozers and loaders. Mining of Permian alluvials by underground methods has also occurred within the project. A consequence of mining activity and Recent, Tertiary and Permian alluvial processes is that the current distribution of gold at surface is very unlikely to reflect the distribution in pre-Permian bedrock.

Rare outcrops, generally uncovered by mining, are of sericite schists and quartzose schists of the pre-Ordovician Anakie Metamorphics. Rare mesothermal quartz veins are seen in outcrop hosted by the metamorphics. These were sampled at a prospect called "The Reef" (Figure 6).

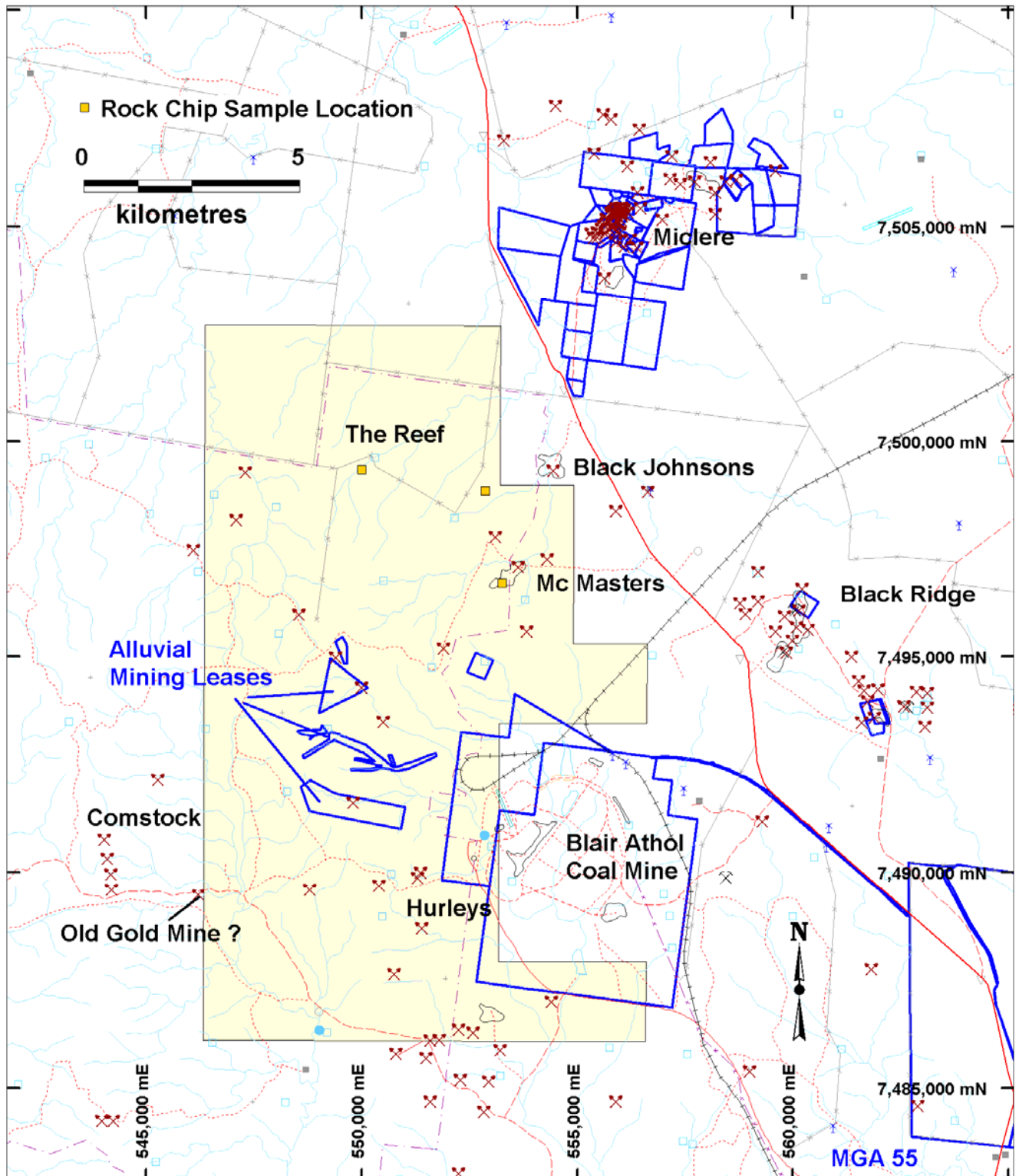


Figure 6. Clermont rock chip sampling. Alluvial mining Leases with subsidiary rights to CYU are depicted in blue.

NORTH EAST QUEENSLAND - RAVENSWOOD (100% CYU)

The project lies in the Ravenswood Block which comprises Palaeozoic volcano-sedimentary strata that are extensively intruded by Ordovician, Siluro-Devonian and Permo-Carboniferous granitoids (figure 3). Permo-Carboniferous magmatic-hydrothermal systems are abundant throughout north east Queensland. These gave rise to major gold deposits including Mount Leyshon, Pajingo, Ravenswood (Sarsfield, Nolans and Mt Wright), Kidston and Red Dome. Figure 7 gives the location of the Ravenswood Project tenements and major known gold deposits of the region.

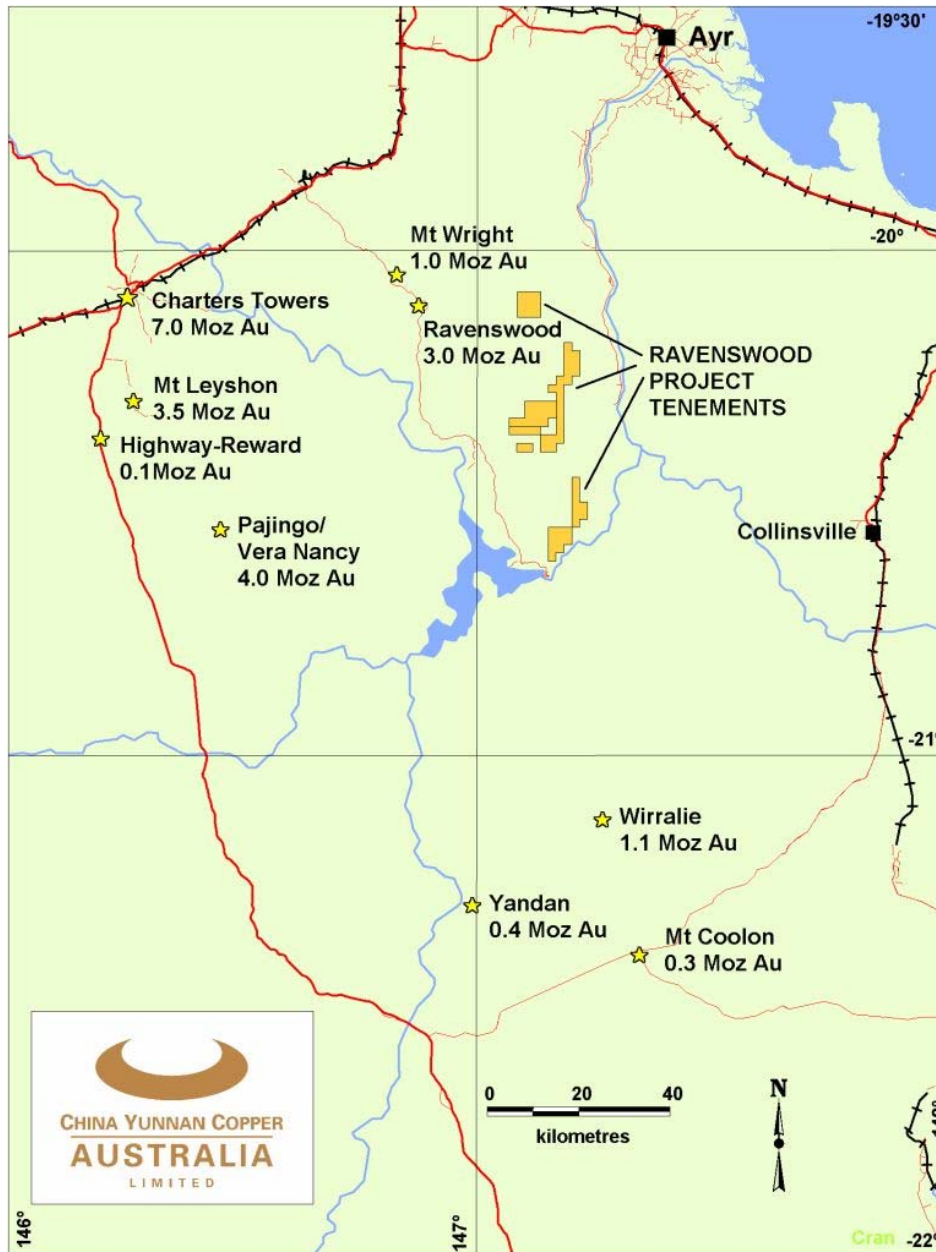


Figure 7. Ravenswood Project tenements and known major gold deposits of the region.

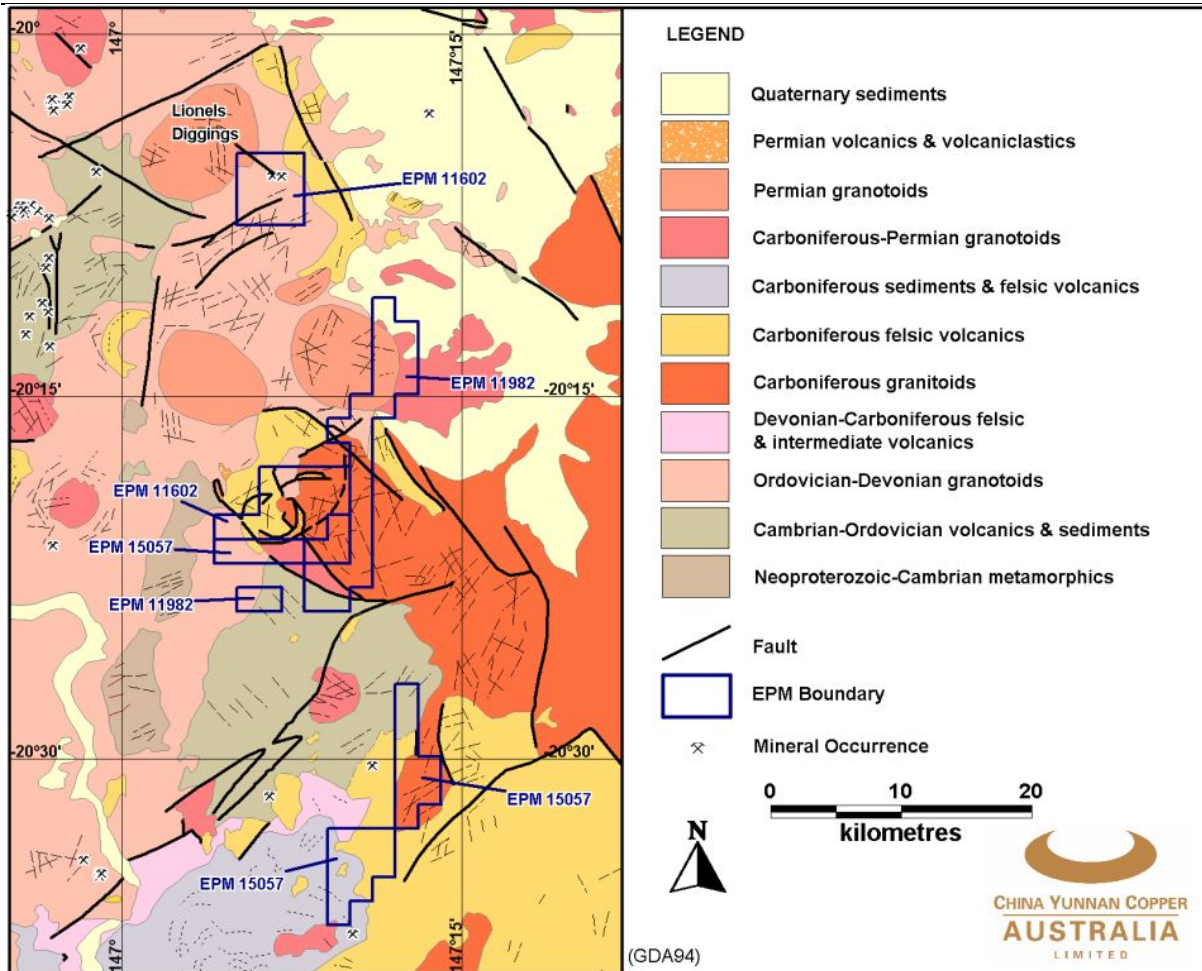


Figure 8. Ravenswood Project tenements and geology (Geol. Surv. Qld.).

Most exploration has been limited to geochemical surveys including stream sediments (BLEG and pan concentrates), rock chipping, minor soil, and rare costeaning and drilling. The Rangeview ring structure with caldera subsidence which occurred during the Permian (Southern EPM 11602) is a very favourable geological setting for porphyry gold-copper and epithermal gold deposits. Field sampling commences in the coming months after initial reconnaissance work was completed during the quarter.

CORPORATE

Cash Position

As at 31 March 2009, the Company had approximately \$2.35 million cash and no debt. Cash exploration expenditure for the quarter was \$354,000.

For further information please contact;

Jason Beckton
 Managing Director
 CYU
 0438 888 612

Kevin Kartun
 Account Director
 Financial & Corporate Relations
 (02) 8264 1003

or visit the website, www.cycal.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and a Member of the Australasian Institute of Mining and Metallurgy, and is the Managing Director of China Yunnan Copper Australia Ltd. Mr Beckton has sufficient experience relevant to the styles of mineralisation and type of deposits 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE DIRECTORY

Board of Directors

Norm Zillman	Non-Exec Co-Chairman
Chao Yang	Non-Exec Co-Chairman
Jason Beckton	Managing Director
Zewen Yang	Executive Director
Liang Zhong	Non-Executive Director
Mark Elliott	Non Executive Director

Share Registry

Link Market Services Limited
 Level 12
 300 Queen Street
 Brisbane QLD 4000
 Phone 1300 554 474
 Fax (61 7) 3228 4999
www.linkmarketservices.com.au

Company Secretary

Paul Marshall

Issued Share Capital

China Yunnan Copper Australia has 77.6 million ordinary shares currently on issue and 18.4 million options.

Quarterly Share Price Activity

	High	Low	Last
Mar 2009 Qtr	\$0.10	\$0.066	\$0.068

Registered Office

China Yunnan Copper Limited
 Level 5
 60 Edward Street
 Brisbane QLD 4000
 Australia
 Phone (61 7) 3303 0653
 Fax (61 7) 3303 0601
www.cycal.com.au