



21 November 2011

APPENDIX 3B

Please find attached an Appendix 3B in relation to the issue of unlisted options as approved at the Annual General Meeting held today.

For and on behalf of the Board

A handwritten signature in purple ink that reads 'Paul Marshall'.

Paul Marshall  
Company Secretary

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of Entity

CHINALCO YUNNAN COPPER RESOURCES LTD

ABN

29 070 859 522

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Unlisted Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 800,000   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Unlisted \$0.30 12/8/14 options. A summary of the material terms is attached. |

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>	
<p>5 Issue price or consideration</p>	<p>nil</p>	
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of unlisted employee share options to directors following the receipt of shareholder approval at the company AGM.</p>	
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>21 November 2011</p>	
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p><sup>+</sup>Class</p>
	<p>173,358,308</p>	<p>Ordinary Shares fully paid (CYU)</p>

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	400,000	20/12/11 \$0.40 Options
		1,000,000	20/8/12 \$0.40 Options
		1,000,000	20/12/12 \$0.40 Options
		7,500,000	20/12/12 \$0.40 Options
		3,750,000	20/12/12 \$0.40 Options (vest 20/12/11)
		1,600,000	12/8/14 \$0.30 Options
		1,600,000	12/8/14 \$0.30 Options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

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- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

## Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities  
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



JPK Marshall  
(Company Secretary)

Date: 21 November 2011



## Chinalco Yunnan Copper Resources Ltd – 12 August 2014 Employee Option Terms

A summary of the material terms of the Options is set out below:

- The securities to be issued are Options to subscribe for fully paid ordinary shares in the capital of the Company (**Shares**);
- The Options are to be issued for no consideration;
- The exercise price of each Option is \$0.30 (**Exercise Price**);
- The Options will expire on 12 August 2014 (**Expiry Date**) unless earlier exercised;
- Shares issued on exercise of the Options will rank pari passu with all existing Shares of the Company from the date of issue;
- The Options may not be exercised or disposed of for exercise restriction periods as (**Exercise Restriction Period**) as follows
  - 50% of the options can be exercised on or after 12/8/12
  - The remaining 50% of the options can be exercised on or after 12/8/13.
  - The Options issued to an Option Recipient will be forfeited in the event of fraud or gross misconduct on the part of the Option Recipient (or where the Option Recipient is a nominee, the person who nominated the Option Recipient).
  - The Options will be forfeited by an Option Recipient if the Option Recipient (or where the Option Recipient is a nominee, the person who nominated the Option Recipient) ceases to provide services to the Company at any time within a 6 month period from grant of the Options.
- After the expiry of the Exercise Restriction Period the Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or before the Expiry Date;
- In the event of a **Change in Control** transaction all outstanding options will be able to be exercised or disposed of.
- The number of Options that may be exercised at one time must be not less than 10,000;
- The Options shall be unlisted;
- Option holders do not participate in dividends unless the Options are exercised;
- Following the issue of the Options, in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

- If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
  - $O$  = the old exercise price of the Option;
  - $E$  = the number of underlying securities into which one Option is exercisable;
  - $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
  - $S$  = the subscription price for a security under the pro rata issue;
  - $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
  - $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security;
- If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
  - The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options; and
  - The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Option.

**Change in Control** means:

- (1) the Company entering into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (2) a Takeover Event happening;
- (3) if at any time after the date of issue of the Options, any person (together with their associates) acquire a relevant interest in fifty (50%) percent or more of the Shares then on issue.