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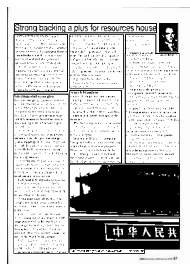
Attention:
Company: Financial & Corporate Relations
Date: 29/12/08



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- 1.1 Strong backing a plus for resources house
Gold and Minerals Gazette, 01/12/2008, General News, Page 47, ClipRef 45371022

Total items: 1



Strong backing a plus for resources house



GIVEN CHINA YUNNAN Copper Australia Ltd's focus is on finding iron oxide-copper-gold (IOCG) deposits, there were really no surprises when conference delegates were told by managing director Jason Beckton that the company was keen to expand its holdings beyond Queensland and into South Australia.

Finishing its first year as a public company with \$3.5 million in cash, the junior has the advantage of having the financial and technical support of the Yunnan Copper Industry Group, which in turn is 49%-owned by Aluminium Corporation of China (Chinalco).

International synergies

In China, the group operates six mines with a further three under development and in 2008 produced 426,000 tonnes of copper cathode, 660t of silver and 10t of gold. It also has the same style of IOCG deposit its Australian arm is investigating in the Cloncurry region near Mt Isa.

Since listing, the company has had a two pronged strategy involving project generation and the operation of high quality copper, gold and uranium projects in 11 wholly-owned exploration permits in the Mt Isa Inlier, the Ravenswood-Pentland Province as well as the Clermont Inlier of Queensland.

China Yunnan Copper is also keen to acquire a more advanced project and, to date, has looked at 51 across Australia, Latin America, Asia and Africa (17 of which remain on its live list).

In Australia, field programs have been undertaken in the Cloncurry-Mt Isa, Clermont and Pentland areas and the junior now has fully staffed offices at Mt Isa and Charters Towers.

"I think we have achieved a lot on our ground given that we started from scratch with totally greenfields projects," Bekton said.

The Cloncurry play has been the focus of mapping, ground magnetics, IP programs as well as RC and diamond drill programs, with significant results having been returned from the FC4 prospect (94 metres at 0.16% copper) as well as the One Tree Hill trend.

Field mapping and associated rock chip sampling generated drill targets for the Mavis, Cobb and Emu trends.

RC drilling at the prospects (15 holes

for 2,552m) returned 19m at 0.21% copper, 0.04 grams/tonne gold from 105m depth (including 6m at 0.34% copper and 0.08 g/t gold) from the Emu prospect; 6m at 0.31% copper, and 0.04 g/t gold from 15m (with 5m at 0.36% copper and 0.05 g/t gold from 15m) from the Cobb prospect, and; 11m at 0.11% copper and 0.05 g/t gold from 89m (including 3m at 0.22% copper and 0.04 g/t gold from 89m) from the Mavis prospect.

Significantly, results from Emu indicate a potential increase in grade and width at depth.

Search broadens

For the Mt Isa project, sampling and mapping of mineralised structures have started and the acquisition of satellite imagery will assist the mapping of various undrilled prospects – including old production centres throughout the tenement.

The Pentland play has also delivered significant encouragement in terms of gold ounces – plus vein targets – at the Toomba prospect.

In addition, IP and soil sampling have generated anomalies over the Gap, Ralphs Ridge and Toomba prospects. These are all currently being drilled.

The IP geophysical survey found three distinct classes of anomalies over Toomba. A group of north-west trending

planar anomalies appear to correspond to the regional tectonic fabric.

Weaker, high angle, planar anomalies are coincident with known vein structures – especially the old Toomba workings – and a group of broad anomalies occur at 150-200m depth in the south west and nearer surface in the east.

These may represent larger, disseminated or breccia-hosted mineralisation at depth.

Sampling of the previously unrecognised Central Zone has also confirmed the potential for further poorly exposed or blind targets within the prospect.

Currently, a 1,500m program of RC holes is planned to test both the known high grade gold structures from surface and the associated geophysical anomalies to a vertical depth of 200m.

The Clermont project, while at an earlier stage, is prospective for epithermal and mesothermal quartz vein gold mineralisation.

At the Ravenswood tenement, which is subject to the Strathalbyn joint venture that is being managed by Newmont Mining Corporation, future work will include rock chipping and possible soil grid programs.



The Chinese are right behind the Australian-focused explorer.