



30 December 2010

APPENDIX 3B

Please find attached an Appendix 3B in relation to the issue of unlisted options in accordance with two joint venture farm-in agreements CYU has with ActiveEX Ltd and Goldsearch Limited.

For and on behalf of the Board

A handwritten signature in blue ink that reads 'JPK Marshall'.

JPK 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

CHINA YUNNAN COPPER AUSTRALIA 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 | 4,000,000 unlisted options |
| 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) | <p>The terms of the unlisted options being issued are:</p> <ul style="list-style-type: none"> • 1,000,000 unlisted \$0.40 options expiry 20/12/12 • 2,000,000 unlisted \$0.40 options expiry 20/8/11 • 1,000,000 unlisted \$0.40 options expiry 20/8/12 |

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>No – options being issued are not listed</p>														
<p>5 Issue price or consideration</p>	<p>Nil – issue is in accordance with joint venture farm-in agreements</p>														
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The options are being issued in accordance with joint venture farm-in agreements with ActiveEX Limited (1,000,000 unlisted \$0.40 options expiry 20/12/12) and with Goldsearch Limited (2,000,000 unlisted \$0.40 options expiry 20/8/11 and 1,000,000 unlisted \$0.40 options expiry 20/8/12)</p>														
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>30 December 2010</p>														
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="662 1153 997 1198">Number</th> <th data-bbox="997 1153 1339 1198">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="662 1198 997 1355">118,662,533</td> <td data-bbox="997 1198 1339 1355">Ordinary Shares fully paid (CYU)</td> </tr> </tbody> </table>	Number	⁺ Class	118,662,533	Ordinary Shares fully paid (CYU)										
Number	⁺ Class														
118,662,533	Ordinary Shares fully paid (CYU)														
<p>9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="662 1377 829 1422">Number</th> <th data-bbox="829 1377 1339 1422">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="662 1422 829 1456">2,000,000</td> <td data-bbox="829 1422 1339 1456">20/8/11 40.40 Options</td> </tr> <tr> <td data-bbox="662 1456 829 1489">300,000</td> <td data-bbox="829 1456 1339 1489">20/12/11 \$0.40 Options</td> </tr> <tr> <td data-bbox="662 1489 829 1523">1,000,000</td> <td data-bbox="829 1489 1339 1523">20/8/12 \$0.40 Options</td> </tr> <tr> <td data-bbox="662 1523 829 1556">1,000,000</td> <td data-bbox="829 1523 1339 1556">20/12/12 \$0.40 Options</td> </tr> <tr> <td data-bbox="662 1556 829 1590">7,500,000</td> <td data-bbox="829 1556 1339 1590">20/12/12 \$0.40 Options</td> </tr> <tr> <td data-bbox="662 1590 829 1624">3,750,000</td> <td data-bbox="829 1590 1339 1624">20/12/12 \$0.40 Options (vest 20/12/11)</td> </tr> </tbody> </table>	Number	⁺ Class	2,000,000	20/8/11 40.40 Options	300,000	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)
Number	⁺ Class														
2,000,000	20/8/11 40.40 Options														
300,000	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)														
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>N/A</p>														

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
Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.
- 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

- 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

--

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)

--

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: 30 December 2010