

## ASX/Media Announcement

30<sup>th</sup> November 2010

### Drilling Commences at Humitos Copper Project, Chile

- Testing bulk tonnage copper targets.
- Drill targets for porphyry copper under shallow cover, refined by completed geophysical, geochemical surveys and geological/alteration mapping.

**China Yunnan Copper Australia Limited (ASX: CYU)** is pleased to announce the commencement of a 2,000 metre RC drill programme at the company's 100%-owned Humitos Copper Porphyry project in the Copiapo District, Chile.

The Humitos project consists of a number of undrilled geophysical and geochemical anomalies including an untested supergene horizon in the most prolific copper belt in the world, the Chilean Cordillera. The project is located ten kilometres south of Pan Australian and Codelco's Inca de Oro project (259Mt @ 0.47% Copper) in the Copiapo District, Region III, Chile.



Figure 1. RC rig commences first of nine RC holes to test porphyry copper targets under gravel cover on the flanks of the Humito alteration system in Region III, Chile.

CYU's Managing Director Mr Jason Beckton commented, "We are very excited by the potential of Humitos, which has a target area of similar size to that of the adjacent project Inca de Oro."

"This 2,000 metres RC drilling programme is actually commencing ahead of schedule, as our management team in Chile was able to secure a rig earlier than initially anticipated. With the field work completed in the previous quarters, we have already identified our key drill targets, and so were able to take advantage of the available drill rig.

"The Humitos campaign represents the second drilling programme currently underway for the company, complementing our diamond drill programme at the Mt Dorothy and Elaine Dorothy prospects in the Mt Isa Inlier, Queensland. Analytical results from the Mt Dorothy programme are expected within the next month," Mr. Beckton added

The Humitos project is located in the centre of a broad NNE-trending structural corridor bounded by the Atacama Fault to the east and the Domeyko Fault system to the west. This corridor hosts a number of important deposits including the El Salvador, Damiana and Caballo Muerto deposits in addition to numerous small scale copper+/-silver epithermal vein style mineralisation, typical of the Inca de Oro district (**Figure 3**).

The Humitos project is a classic example of a well preserved high level porphyry system displaying normal porphyry alteration patterns including a silica cap. **Drilling proposes to test potential for a secondary enriched copper zone at depth.**



**Figure 2. All targets are under shallow cover with ground magnetics completed on the project area for the first time resulting in immediate targets. Rig is in left foreground in the gravel plain adjacent to the Humitos alteration system on CYU 100% owned tenure.**

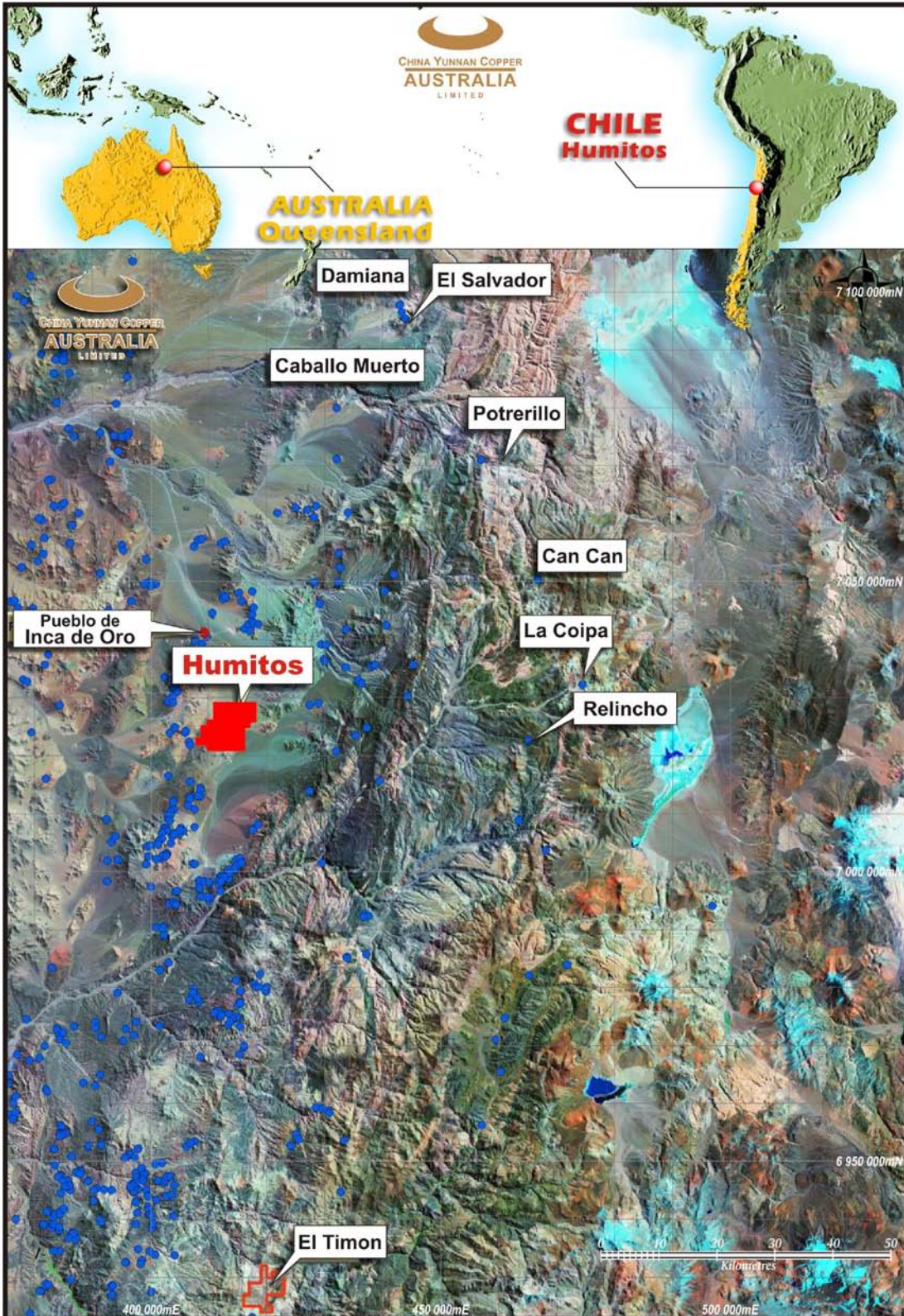


Figure 3. The Humito project is a copper porphyry project located in northern Chile, 90km north of Copiapo, approximately 10km to the south of the village of Inca de Oro, a historic mining centre. The project area is a comfortable 1,500 to 2,600 metres above sea level.

A large alteration system, occupying approximately 20km<sup>2</sup>, centred around Cerro Humito, has historically only been tested with nine shallow RC holes and effectively remains untested.

CYU's recently completed ground magnetic geophysical survey has returned a number of magnetic highs which offer good drill targets, representing potential potassic alteration associated with porphyry mineralisation. A 2,000m RC drill programme in 9 holes is underway. The holes are all currently planned for a depth of not less than 200 metres. The drill programme is designed to target these geophysical anomalies with additional support from historical electrical geophysical data, soil geochemistry and outcropping geology/alteration mapping where available. Much of the area is under cover where the soil geochemistry and geology/alteration mapping are not of great assistance.

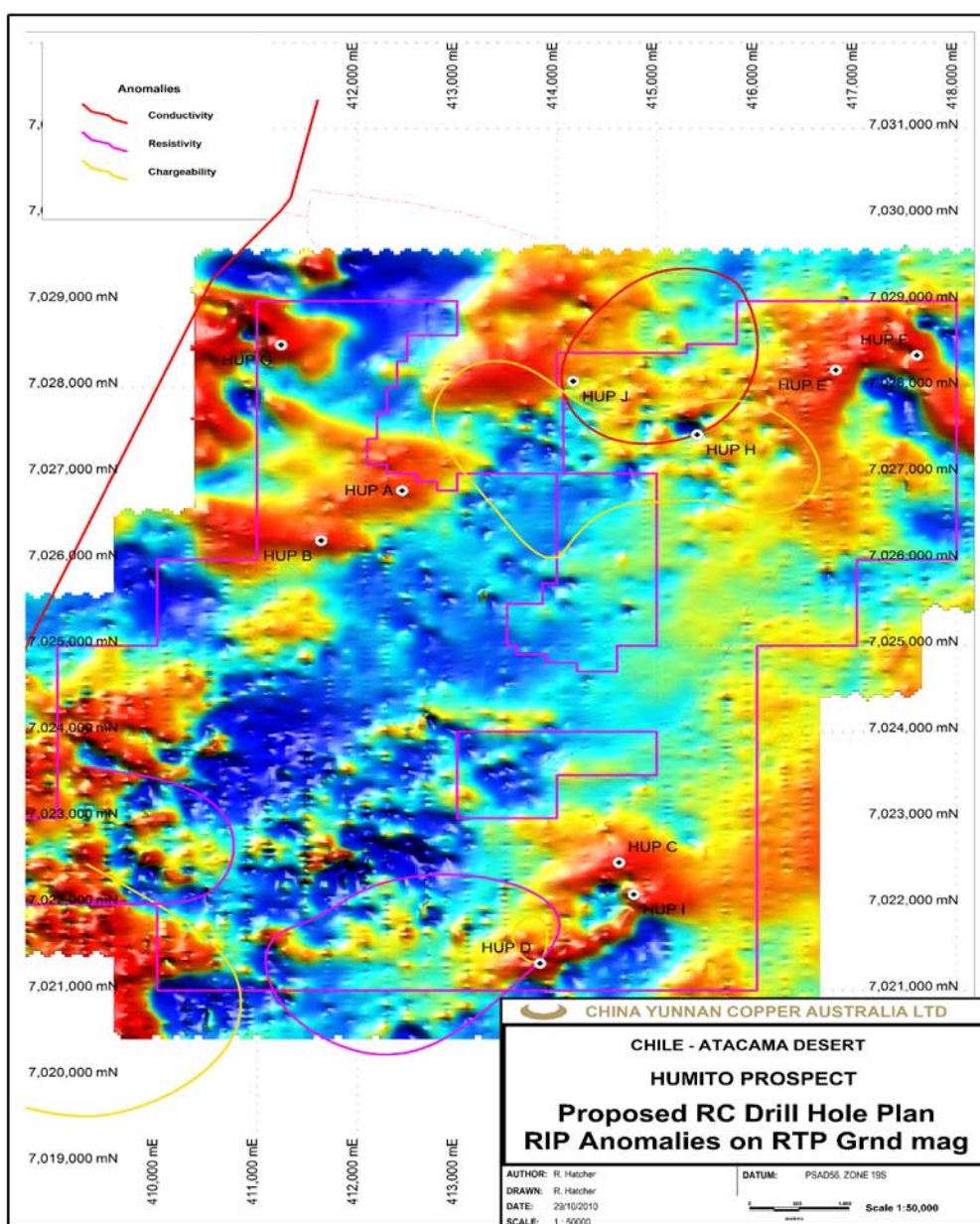


Figure 4. Proposed Drillholes over RIP (Electrical Geophysics) and ground magnetic anomalies.

CYU interpretation is that a full porphyry alteration system may be preserved under shallow cover. Porphyry Cu ± Mo ± Au mineralisation is associated with potassic alteration and such a zone is the main exploration target at Humitos. The high level clay argillic alteration zone is usually leached of copper and other base metals so that porphyry style mineralisation is likely to be at depth, detected by magnetics in well preserved systems such as Humitos.

Competent Person's Statement

*The information regarding to Exploration Activities in this report that relates to the Humito and prospect is based on information compiled by James Cran, who is a Member of the Australian Institute of Geologists and is Chief Geologist of China Yunnan Copper Australia Ltd. Mr Cran has sufficient experience relevant to the style of mineralisation and type of deposit 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 Cran consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## 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. YCI's largest shareholder is Chinalco.

CYU's principle focus is to identify commercial copper sulphide deposits and develop these into profitable mining operations. In addition CYU has goals of resource definition and development for copper, gold and uranium.

Apart from the Humito exploration programme other current activities include;

- Currently Drilling Mount Dorothy sulphide copper prospect, Mount Isa district, North Queensland.
- Drilling a known sulphide zone at the Elaine Copper Rare Earth Element – U prospect, subsequent to the Mount Dorothy programme.
- Continued review of projects under Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province, China and Laos.
- Proposed Reverse Circulation drilling in 2011 at Stanley's Hope Gold and the Pentland JV with Activex Ltd, Pentland, North East Queensland.

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