



## **CYU JV WITH CCMLA (SUBSIDIARY OF CODELCO– WORLD’S LARGEST COPPER PRODUCER)**

- **CYU can earn up to a 51% interest at the Sulfatos porphyry project in northern Chile over 6 years**
- **Compañía Contractual Minera Los Andes (“CCMLA”) worked at the project for more than 10 years and have defined a porphyry system through mapping, geochemical and drilling**
- **Drilling includes an intersection of 92m @ 0.65% Cu, open along strike and at depth**
- **CYU initial work program – conductive geophysics followed by extensional drilling**

China Yunnan Copper Australia Chile Limitada, a 100% owned Chilean subsidiary of Chinalco Yunnan Copper Resources Limited (ASX code: CYU), has signed a farm-in agreement with Compañía Contractual Minera Los Andes (a subsidiary of Codelco, the world’s largest copper producer), for the copper porphyry exploration property Sulfatos in northern Chile.

Total expenditure anticipated over the six-year period is up to US\$20 million with a requirement for drilling of a minimum 5,000 metres. Once Bankable Feasibility is obtained, CYU has the right to trigger the incorporation of a joint venture (JV) company in which CYU shall hold a 51% interest and CCMLA 49%. CCMLA does not contribute funding until the JV Company is incorporated and Bankable Feasibility is completed at CYU’s expense. CYU may withdraw from the project at any time by completing or paying the minimum first year expenditure commitment of US\$500,000 to CCMLA.

CCMLA completed a program of mapping, geochemical sampling, road construction and drilling from 1997 to 2006 with the best results included an intercept of 92 metres @ 0.65% Cu (drill hole S2).

CYU Managing Director Jason Beckton commented, “This completes our fifth property acquisition in the porphyry copper belt of northern Chile. It is very pleasing for CYU to be in partnership with a subsidiary of the largest global copper producer in the most competitive copper belt hosting more than 5 billion tonne copper deposits such as Collahuasi and Quebrada Blanca.”

“As per our Chilean JVs with Rio Tinto, the Sulfatos property is easily serviced from our existing base in Iquique. CYU shareholders have the benefit of an exposure to an advanced

target with significant previous drilling. No modern geophysical work has been completed and this is a logical next step forward. We are endeavouring to detect a significant ore body at Sulfatos and plan to set the rigs on this project after completing drilling programs at our Caramasa and Palmani projects in the coming months.”



Figure 1: Sulfatos project is located near the giant Collahuasi copper mine.

## **OTHER PROJECTS UPDATE**

### **Australia**

At the Elaine 1 prospect CYU has been announced an initial Inferred JORC Resource of 26.1Mt @ 0.56% Cu & 0.09g/t Au (0.62% CuEq) for contained metal content of 146,000t copper and 74,000oz gold. An updated estimate will be completed in coming months that will include additional drilling results including a high grade gold and bismuth intersection which is 300 metres along strike from previous gold intercepts within the copper mineralised body. The update will include an estimation of copper, cobalt, REE, gold and thorium content.

### **Other Chile Projects**

Copper is also targeted at the Rio Tinto joint ventures at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective. **Drilling at the Candelabro project is completed with 6 diamond holes due for full reporting shortly.** Track and pad construction has been completed at Caramasa, which will be drilled after Candelabro. Palmani is also fully permitted and will commence pad construction in the coming month.

#### Competent Person's Statement

*The information regarding the Activities on the Sulfatos Copper Prospect is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geologists and is the Managing Director of Chinalco Yunnan Copper Resources Ltd. Mr Beckton 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Inferred Resource is based on information compiled by Steven Ristorcelli, who is a Certified Professional Geologist with the American Institute of Professional Geologists, a "Recognised Overseas Professional Organisation", is Principal Geologist with Mine Development Associates of Reno, Nevada, USA. Mr Ristorcelli 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 Ristorcelli consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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