

ASX/Media Announcement

26 April 2013

Chinalco Yunnan Copper Resources Ltd (ASX: CYU)

MARCH 2013 QUARTERLY ACTIVITIES REPORT

Projects

- Metallurgical testwork completed on samples from Elaine copper-gold resource program – final report pending.
- Mary Kathleen Shear Zone regional geophysics and geochemical survey work completed, and drilling underway at the Blue Caesar exploration program.
- Geophysical survey work completed at Humito project, drill targeting underway.
- Geophysical team mobilised at the Sulfato project.

Corporate

- Project review carried out, primary conclusions:
 - Strategic aim is to be in commercial production within 3 years – either from existing projects or newly-acquired interests.
 - More focused exploration programs in Mt Isa and Chile.
- Appointed new Managing Director Paul Williams.

The Board of Chinalco Yunnan Copper Resources Limited (CYU:ASX) is pleased to provide this update for the three months to 31 March 2013.

Summary – Northwest Queensland

CYU continued to advance its projects in northwest Queensland with metallurgical scoping testwork undertaken at its Elaine copper-gold resource. The Elaine JORC Inferred Resource of 27.7 million tonnes with a contained metal content of 147,000 tonnes of copper and 75,000 ounces of gold was defined in 2012.

Regional field programs targeting the Mary Kathleen Shear Zone have defined further copper-gold mineralised prospects similar to the Elaine exploration model. Drilling operations commenced at the end of the March quarter at the Blue Caesar prospect with further target generation underway along the Mary Kathleen Shear Zone.

1. Mary Kathleen Joint Venture (CYU 70%, Goldsearch 30%)

During the quarter CYU undertook metallurgical scoping testwork studies on drill core selected from MKED036. A zone of high grade gold and copper mineralisation was also selected from MKED023. The location of the two drillholes is in Table 1.

Table 1: Mary Kathleen Joint Venture Project Q4 2012 Drillhole Location

Hole_ID	East *	North *	RL (m)	Azi (°)	Dip (°)	Depth (m)
MKED023	398,225	7,699,571	449	328	-70	891.70
MKED036	398,095	7,699,705	385	N/A	-90	896.98

* Datum : UTM – MGA94 Zone 54.

MKED036 was designed primarily for metallurgical testwork to obtain samples to measure copper and gold recovery rates within the previously announced 27.7Mt Elaine copper-gold Inferred Resource. Three zones of typical mineralisation were selected from MKED036 characterised by high grade copper mineralisation and low - moderate grade mineralisation. Check assaying of zones sampled confirmed the significant sulphide mineralisation zone identified and targeted for testwork sampling.

Each zone comprised a composite sample varying in width from 6-8 metres. Intervals and length weighted average for each zone is outlined in Table 2. Each sample was blended into a master bulk composite averaging 0.79% copper and 0.34g/t gold that will be used for the recovery testwork. A split of each zone has also been retained for further individual zone testwork.

Table 2: Metallurgical Sample Zones MKED023 & MKED036

Hole_ID	mFrom	mTo	Width	Au (g/t)	Cu (%)	Comment
MKED023	462	470	8.0	1.07	1.26	LWA
MKED036	234.6	243	8.4	0.18	1.25	LWA
MKED036	492	498	6.0	0.06	0.24	LWA
MKED036	638	644	6.0	0.05	0.42	LWA
				0.34	0.79	

Final results were returned from ALS Metallurgy lab (Adelaide) at the end of the quarter. A head assay of the composite sample from the laboratory returned assays of 0.81% copper and 0.28g/t gold. Consultant GR Engineering is currently reviewing the results and finalising the report. Early indications of results are promising with >95% recovery for copper and 60% recovery for gold from standard flotation processes.

2. Mount Frosty Joint Venture (CYU/Goldsearch earning in, Xstrata Mt Isa 100%)

The Mount Frosty JV Project (EPM 14467) covers the highly prospective copper-gold mineralised regional structure – Mary Kathleen Shear Zone. The tenement is currently held 100% by Xstrata Mt Isa with CYU/Goldsearch currently earning in up to 75% with expenditure of A\$3M.

Following a detailed review of the historical exploration data during the quarter, CYU commenced regional and prospect scale geology and geochemical field programs targeting the Mary Kathleen Shear Zone. Two prospective areas in close proximity to the current resource base at Elaine (Mary Kathleen JV) include the Blue Caesar and Jubilee prospects.

Geochemical surveys at both prospects have returned strong copper anomalies with Blue Caesar returning a ~1km northwest trending >200ppm copper anomaly with peak value returned of 5,955ppm copper. The Blue Caesar copper anomaly also continues to the southeast where it joins the Elaine copper-gold resource soil copper anomaly. The Jubilee program returned a ~780 metre north-south trending >200ppm copper anomaly with peak value of 21,380ppm copper from an old mine spoil dump.

A single 800m EH4 line was also run over the main magnetic anomaly associated with the Blue Caesar prospect. Unfortunately the close proximity to high voltage power lines rendered readings unreliable.

Drill targets have been generated and drilling has recently commenced on the Blue Caesar prospect with a 600m (3 drill hole) scout diamond program. The location of these drill holes is shown in Appendix B. Results from this drilling are expected to be returned mid Q2 2013.

The main ongoing focus of project activities will be to identify and develop commercial copper and gold resources within the Mary Kathleen JV and the Xstrata Copper Mt Frosty JV areas.

3. Cloncurry North Project (CYU 100%, YEX earning in)

During 2011 CYU farmed-out the Cloncurry North projects to the Yunnan Copper Mineral Resources Exploration and Development Co. Ltd. (YEX).

Under the farm-in YEX can earn up to 55% interest in the Cloncurry North project.

No field activities were undertaken during the quarter.

YEX is mobilising its field crew to site this month to commence field activities following up on geophysical anomalies generated last season and on additional regional targets in the project.

Summary – Chile

All exploration in Chile is focused on large scale porphyry copper exploration. Geophysical programs are completed at Humito with additional programs due to commence Q2 2013 at Palmani and Sulfato.

1. **Humito (CYU 100%)**

The Humito project is located 10km south of PanAust's and Codelco's Inca de Oro project in the Chanaral Province, Atacama Region (Region III), Chile.

During the quarter detailed mapping and a deep penetrating 3D IP/MT geophysical survey was completed. These programs targeted the potential of a deep-seated porphyry body for drill testing. When used in conjunction with the previous ground magnetics survey, CYU has now defined coincidental anomalies of low magnetics and high chargeability, which could indicate a mineralised porphyry core being overprinted by a later stage alteration assemblage. Final processed images have been received, with drill targeting being finalised. Drilling operations will commence when the drill targets are settled and all land access arrangements are completed.

2. **Candelabro (CYU earning in, Rio Tinto 100%)**

No field activities were undertaken on this project during the quarter.

3. **Caramasa (CYU earning in, Rio Tinto 100%)**

No field activities were undertaken on this project during the quarter.

4. **Palmani (CYU earning in, Rio Tinto 100%)**

The Palmani project is located in the porphyry copper belt of northern Chile in the Arica Province, Arica–Parinacota Region (Region XV) approximately 56km northeast from the regional centre Arica.

During the quarter an alternate site access was investigated and approvals are being sought to access additional areas of the project. Quotes for a deep penetrating 3D IP survey have been received with the program scheduled for Q2 2013.

5. **Sulfato (CYU earning in, Codelco 100%)**

The Sulfato project is located in the porphyry copper belt of northern Chile, near the 5+ billion tonne copper Collahuasi deposit in the El Tamarugal Province, Tarapaca Region (Region I), 151km southeast from the main regional centre Iquique.

During the quarter rehabilitation of an 8km access track was completed and reconnaissance geology mapping undertaken. Re-logging of the historical drill core from earlier Codelco operations was completed with re-assaying of selected core to be undertaken to confirm historical results.

At the end of the quarter the geophysical crew was mobilised to site to commence an 8km single 3D IP/MT geophysical line. Final results and processing are expected mid-late Q2 2013.

San Mu

Yunnan Copper San Mu Mining Co. Ltd (San Mu), a China incorporated entity, is now 51% owned by CYU with 49% ownership by Yunnan Copper Industry (Group) Co., Ltd (YCI). San Mu holds a 100% interest in four projects in northern Laos.

Limited fieldwork was undertaken during the quarter other than geological mapping and track clearing. Data compilation and analysis was undertaken reviewing base and precious metals anomalies defined by electrical geophysics, trenches, underground adit sampling and diamond drilling with the aim of seeking a buyer for the projects.

Representatives of San Mu are continuing to identify and assess other project opportunities in the region – with targets in Cambodia and mainland China being reviewed and pursued.

Corporate

Project Review

During the quarter a review was undertaken of each of the Company's projects with a number of recommendations adopted by the Board. A key outcome of the project review was that in the current business environment CYU should aggressively seek production or near-production project opportunities (copper and other minerals) within Australia.

In respect of CYU's existing activities, the recommendations from the project review (which have been adopted by the Board) included:

Mt Isa

- Focus (and expenditure) to continue on the Mary Kathleen Shear Zone that includes the Elaine discovery and the current Blue Caesar exploration program
- Other tenure holdings in the region to be kept on "care and maintenance" only
- CYU to seek other project opportunities in this region that could be complementary to existing projects.

Chile

- A general observation was that the Company has too many project interests in Chile and it cannot afford to maintain all these based on existing cash reserves
- As CYU's expenditure obligations for the Caramasa and Candelabro projects are up to date, it is not proposed to carry out any further field activities on these projects. Furthermore, unless YCI (or associated entities) have an interest in funding further activities on these projects CYU will advise Rio Tinto of its intention to withdraw from them
- Palmani is likely to remain as the Company's only Rio Tinto farm-in project in

Chile. Now that site access has been finalised at this project, geophysics and mapping studies will be conducted during the year.

San Mu

- Disposal of existing Laos-based projects as they do not meet CYU's requirements for a commercial copper deposit due to these projects comprising mostly copper oxide mineralisation
- San Mu will commence a review of newly identified project opportunities in Cambodia
- San Mu will, with the assistance of YCI, seek production or near-production project opportunities in mainland China.

Appointment of new Managing Director

During the quarter the Company appointed new Managing Director Mr Paul Williams, to replace Mr Jason Beckton. Mr Williams brings more than 25 years' experience as a commercial lawyer and senior executive, having most recently been with the coal division at Mitsui & Co. This experience is expected to assist the Company in its objective to become a copper producer (and/or other minerals) within three years.

Board Composition

Mr Zhihua Yao, Chairman
 Mr Paul Williams, Managing Director
 Mr Robert Yang, Executive Director
 Mr Richard Hatcher, Executive Director
 Mr Paul Marshall, Company Secretary

Share Information

- Issued share capital of 247.99 million shares and 3 million unlisted options
- Quarter high traded price of \$0.10 (Mar 2012—\$0.19) and low of \$0.067 (Mar 2012—\$0.165)
- Average daily volume of shares traded – 179,768 shares
- Top 10 shareholders as at 31 March 2013 were:

Rank	Name	Number of Shares	%
1	China Yunnan Copper (Australia) Investment and Development Co Ltd	106,183,175	42.82
2	Mr Norman Zillman	10,200,000	4.11
3	Elliott Nominees Pty Ltd (Elliott Exploration Co S/F)	7,150,000	2.88
4	Premar Capital Nominees Pty Ltd	3,633,333	1.47
5	UBS Wealth Management Nominees P/L	2,708,514	1.09
6	JP Morgan Nominees Australia Ltd (Cash Income A/C)	2,610,925	1.05
7	Bannerblock Pty Ltd Super Fund	2,500,000	1.01
8	Yunnan & Hong Kong Metal Co Ltd	2,400,000	0.97
9	Join Victory Investments Ltd	2,083,334	0.84
10	CR Investments Pty Ltd	2,083,333	0.84
TOTAL		141,552,614	57.08

Other Details

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Competent Person's Statement

The information regarding Exploration Activities in this report that relates to all exploration projects and to the Inferred Resource at the Elaine Project is based on information compiled by Mr. Richard Hatcher, who is a Member of the Australian Institute of Geologists and is Executive Director of Chinalco Yunnan Copper Resources Limited. Mr. Hatcher 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. Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

On behalf of the Board

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About CYU

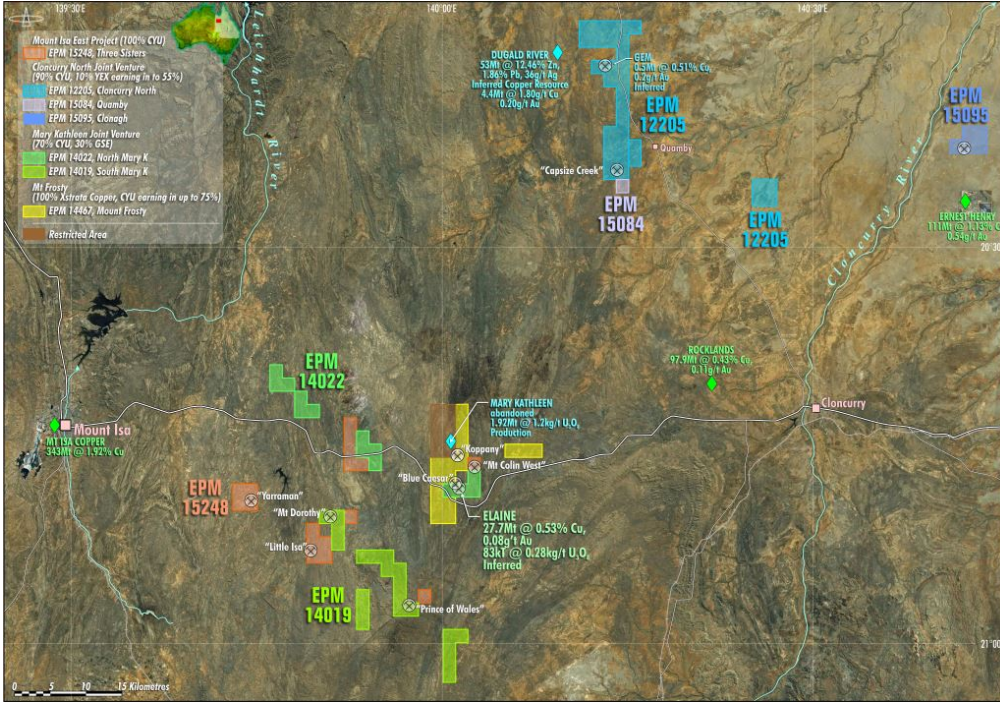
Chinalco Yunnan Copper Resources Ltd ("CYU" or "Company") is a resource exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 43% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

CYU has offices in Brisbane and in Santiago. The Company is listed on the ASX under the symbol "CYU".

Appendix A

(Chinalco Yunnan Copper Resources Ltd Project Locations)



Appendix B

(Blue Caesar drill hole locations)

