

CHILE UPDATE

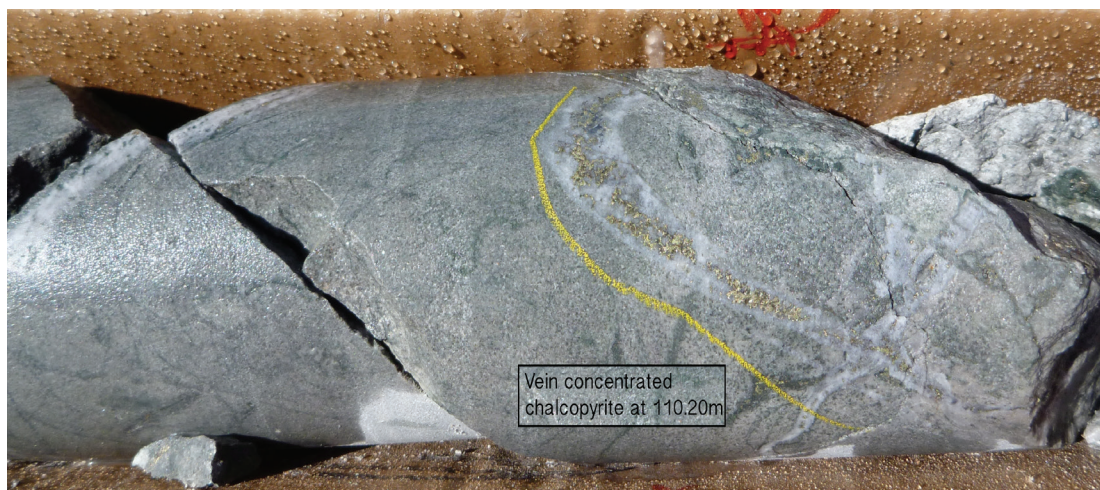
COPPER PORPHYRY DRILLING RESULTS

- **Assay results received for first three holes of Candelabro Project; CAND0005, CAND0006 & first 200m of CAND0007**
- **CAND0007 returned 108m@ 0.11% copper including 14m@ 0.22% copper. This is encouraging for a first pass program on a new porphyry system**
- **Results pending for the remainder of CAND0007 & the final two holes: CAND0008 & 0009**
- **Drilling to commence shortly at next project - Caramasa.**

Chinalco Yunnan Copper Resources Limited (CYU:ASX) provides an update on drilling at the Chinalco/Rio Tinto option to joint venture Candelabro tenement in northern Chile.

Recent core results received from drilling beneath an outcropping of hydrothermal breccia, suggests the distal potential for mineralization with CAND0007 returning a result of 108m@ 0.11% copper including 14m@ 0.22% copper.

Copper is targeted at the Rio Tinto joint ventures in Chile at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective. Track and pad construction has been completed at Caramasa, which will be drilled after Candelabro from August. Road permitting has now been completed for Palmani and earthworks are to also commence in August.



CAND0007: the most encouraging field results thus far, this interval assayed 0.16% copper

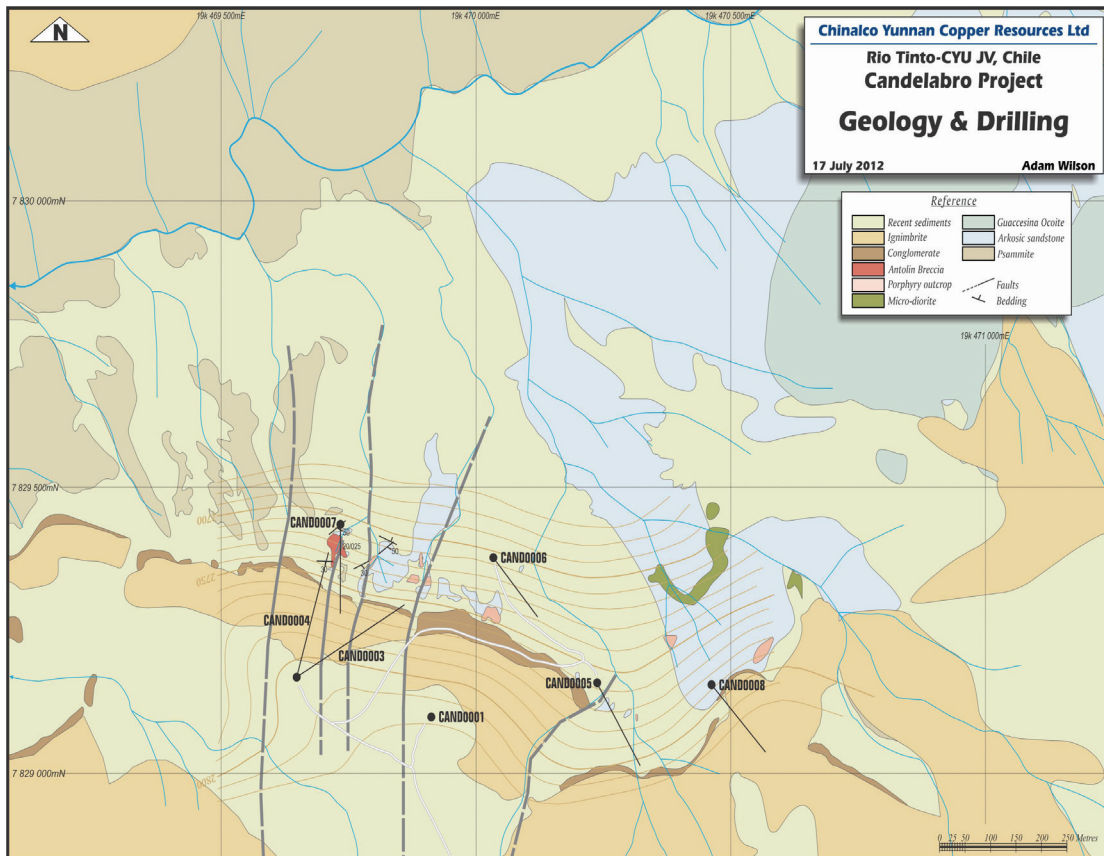


Figure 1: drilling is designed to test known mineralised leach caps with porphyry style copper stockwork veins mapped by Rio Tinto and confirmed by CYU

Hole_ID	From (m)	To (m)	Width (m)	Cu (%)	Mo (ppm)
CAND0005	44	45	1	0.12	6
CAND0006	271	272	1	0.01	146
CAND0006	467	477	10	0.12	1
CAND0006	597	601	4	0.15	1
CAND0007	9	117	108	0.11	2
inc.	32	46	14	0.22	2
CAND0007	134	135	1	0.49	1

Table 1: drill results to date for Candelabro. Note assays remain to the bottom of CAND0007 and from 0008 and 0009 (drilled from 0008 pad).

In general these results for a new copper property warrant follow up with a geological 3D model to determine the best next drilling, likely to be at depth beneath CAND0007. Textural evidence of copper sulphides throughout the core in trace amounts including chalcopyrite and chalcocite in fracture zones will be interpreted to assist future drill planning. Candelabro has currently been tested for 800 metres of strike.

This compilation work can be completed while Caramasa and Palmani are drilled for the remainder of 2012.

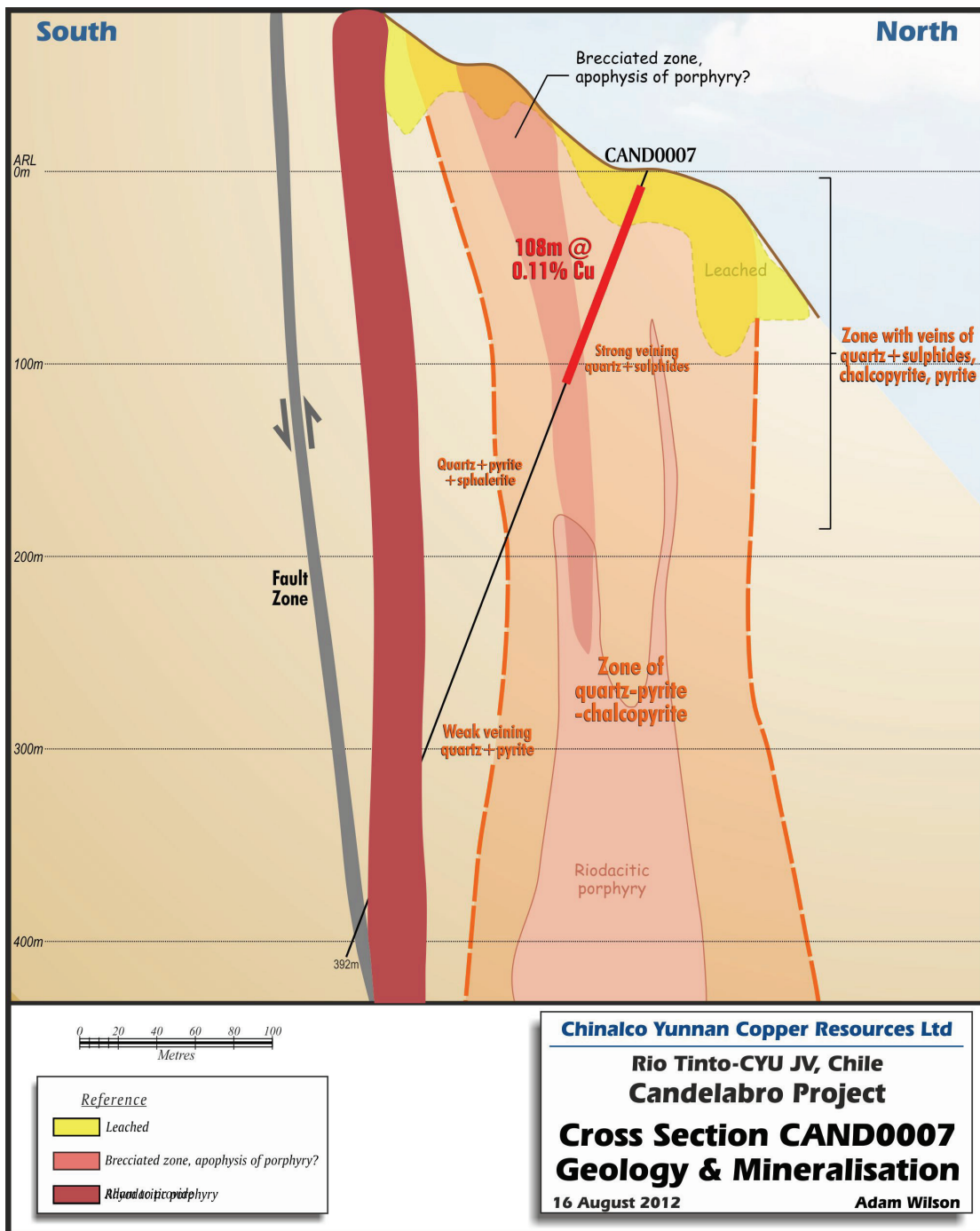


Figure 2. Cross section indicating CYU has clipped the top of a porphyry system to be tested after compilation of all results from subsequent holes.

Competent Person's Statement

The information regarding the Exploration Activities on the Candelabro 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.

Other Chile Projects

Copper is also targeted at the Rio Tinto option to joint venture projects at the Caramasa and Palmiani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective with drilling is due to commence at Caramasa next week. CYU have also just announced a further option to joint venture project 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.



Figure 3. CYU Chile Projects - CYU recently added the Sulfatos Option to JV with Codelco to its exploration portfolio in the Paleocene Prophyry belt.

About Chinalco Yunnan Copper Resources

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. CYU is supported by cornerstone shareholder Yunnan Copper Industry (Group) Co Ltd (YCI); China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

Enquiries:

Mr Jason Beckton
Managing Director
CYU
0438 888 612

Rudi Michelson
Monsoon Communications
03 9620 3333

www.cycal.com.au