

CHINA YUNNAN COPPER AUSTRALIA LTD

ASX/Media Announcement (ASX:CYU)

10th March 2010

PENTLAND GOLD PORPHYRY PROSPECTS - DRILLING COMMENCES

- **1,200m to be drilled in 3 diamond holes.**
- **Targets are bulk tonnage Intrusive Related Gold Copper Mineralisation.**

China Yunnan Copper Australia Limited (ASX:CYU) has commenced drilling at the Pentland Project, a joint venture between ActivEX Limited and CYU. The program consists of three diamond drill holes for approximately 1200 metres of core at two prospect areas, Mt Remarkable and Norwood.

The Pentland Project area is located in North East Queensland, 100km west of Charters Towers and is well known for Intrusive Related Gold/Copper styles (IRG). Significant gold (-copper) production from this area has been achieved in the past from deposits such as Mt Leyshon (3M ounces), Kidston (4.5M ounces), Red Dome (1.5M ounces), Ravenswood (3.5M ounces) and Charters Towers (6.5M ounces). IRG deposits are related to moderate level intrusions, volcanics and hydrothermal systems of Permo-Carboniferous age. They are large systems (greater than 3 million ounces) often associated with breccias, stockwork quartz vein sets and increased sulphides.

The Mt Remarkable Target is a discrete coincident chargeability and resistivity anomaly (induced polarization - IP) over 800 metres long which plunges steeply to the north-east. It is interpreted to have increased sulphide content, as indicated by anomalous chargeability values, in association with increased quartz stockwork vein densities, as indicated by anomalous resistivity values. Previous drill hole DDH 1 (1970s) is interpreted to just intersect the top of these systems and encouraging gold (with elevated copper) mineralisation (47m @ 0.92g/t Au) was intersected at the bottom of the hole. One deep hole is proposed as a first pass test of these deep seated IP features.

The Norwood Target is an 800 plus metre long zone of anomalous chargeability also with anomalous resistivity. It is interpreted to reflect sulphide replacements and possible skarns around a gold anomalous magnetic diorite body and appears to be structurally controlled. Historic gold mining has occurred in the area exploiting alluvial and shallow hard rock gold. Shallow drilling in the past targeted oxide gold and intersected significant mineralisation including 18m @ 0.98g/t Au and 8m @ 2.28g/t Au. Two holes are designed as a first pass test of the IP anomalies at depth, around the interpreted porphyry intrusion.

The drillholes are partly funded by a Queensland Government grant under the Cooperative Drilling Initiative of the Smart Mining Program.

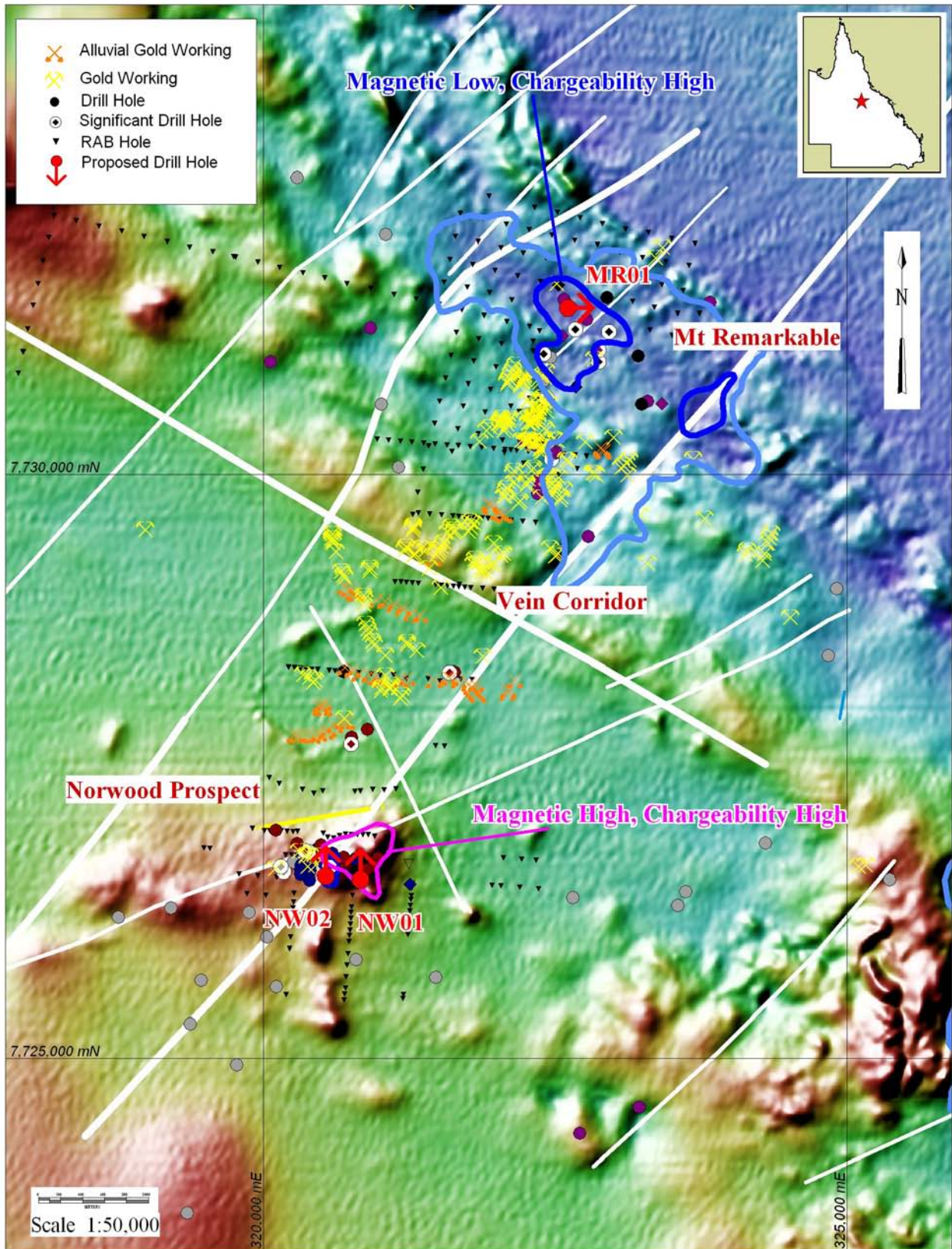


Figure 1. Proposed hole locations overlying magnetic imagery.

Competent Person's Statement

The information in this report that relates to the Mount Remarkable and Norwood Prospects 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 has goals of resource definition and development for its three target commodities Copper, Gold and Uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Mt Isa Inlier and Ravenswood-Pentland Province in Queensland.

CYU is also;

- Compiling information for a maiden resource estimate for Elaine Dorothy U REE.
- Drilling out the Gem prospect, Cloncurry.
- Farming into to the Mary Kathleen Project in Mt Isa with Goldsearch Limited.
- Farming into to the Pentland Gold Project with ActivEX limited.
- In a purchase agreement for the Humito Copper Porphyry project in Chile.
- In a Memorandum of understanding for project generation in Yunnan Province, China with cornerstone investor YCI.

For further information please contact;

Mr Jason Beckton
Managing Director
CYU
0438 888 612

Kevin Kartun
Account Director
Financial & Corporate Relations
(02) 8264 1003

or visit the website, www.cycal.com.au