CHINALCO
YUNNAN COPPER

QUARTERLY REPORT
for the three months ending
31 December 2012

CHINALCO YUNNAN COPPER
RESOURCES
LIMITED

HIGHLIGHTS

AUSTRALIA

Goldsearch, Mary Kathleen JV & Xstrata Copper, Mount Frosty JV

27.7Mt inferred resource upgraded at Elaine copper-gold-REE prospect. Metallurgical drillhole completed.
Scout drilling at Elaine 2 prospects along strike from Elaine copper-gold prospect.
Exploration on Mount Frosty JV, with Xstrata Copper, to commence at Jubilee gold-copper prospect and Blue Caesar copper-gold prospect.

CHILE

Rio Tinto JV's

Caramasa: Drilling complete, results subject to review.
Palmani: Drill access and geophysics planned for Q1 2013.
Humito: Geophysics program to commence Q1 2013.
Sulfatos: New JV with Codelco subsidiary - access and geophysics programs to commence Jan '13.

LAOS

Drilling completed – subject to review

Xinzhai: Minor copper mineralisation subject to review.
Juizhai: Zones of elevated silver-lead-zinc warrant further geological sampling along strike.

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Richard Hatcher
Executive Director
30 January 2013

AUSTRALIA – Elaine & Mt Dorothy Discoveries

SUMMARY

Chinalco Yunnan Copper Resources ("CYU") continues to advance its projects in northwest Queensland with metallurgical testwork commencing 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. The current program for Elaine includes extensional drilling and follow up metallurgical testwork.

Additional regional field programs have commenced. These programs are targeting the Mary Kathleen Shear Zone, 1 kilometre southeast of Elaine in the Elaine 2 area and ~1 kilometre to the northwest of Elaine at the Blue Caesar prospect. Drill target generation is underway with drilling of these targets expected near the end of Q1 2013.

MARY KATHLEEN JOINT VENTURE
(CYU 70% : GSE 30%)

Elaine - Copper-Gold (±Light Rare Earth Oxide)

Following on from the updated Inferred JORC resource reported in Q3 2012, CYU has continued exploration activities this quarter on the Elaine copper-gold project and a regional target located at the Elaine 2 prospect, ~1 kilometre southeast of the Elaine 27.1Mt Inferred copper-gold resource. A small drill program was completed consisting of two diamond drillholes MKED035 (Copper Gossan - Elaine 2) and MKED036 (Elaine Copper Gold Resource - metallurgical) for a total of 1,066.10 metres.

Table 1. Mary Kathleen JV Drilling Quarter 4, 2012

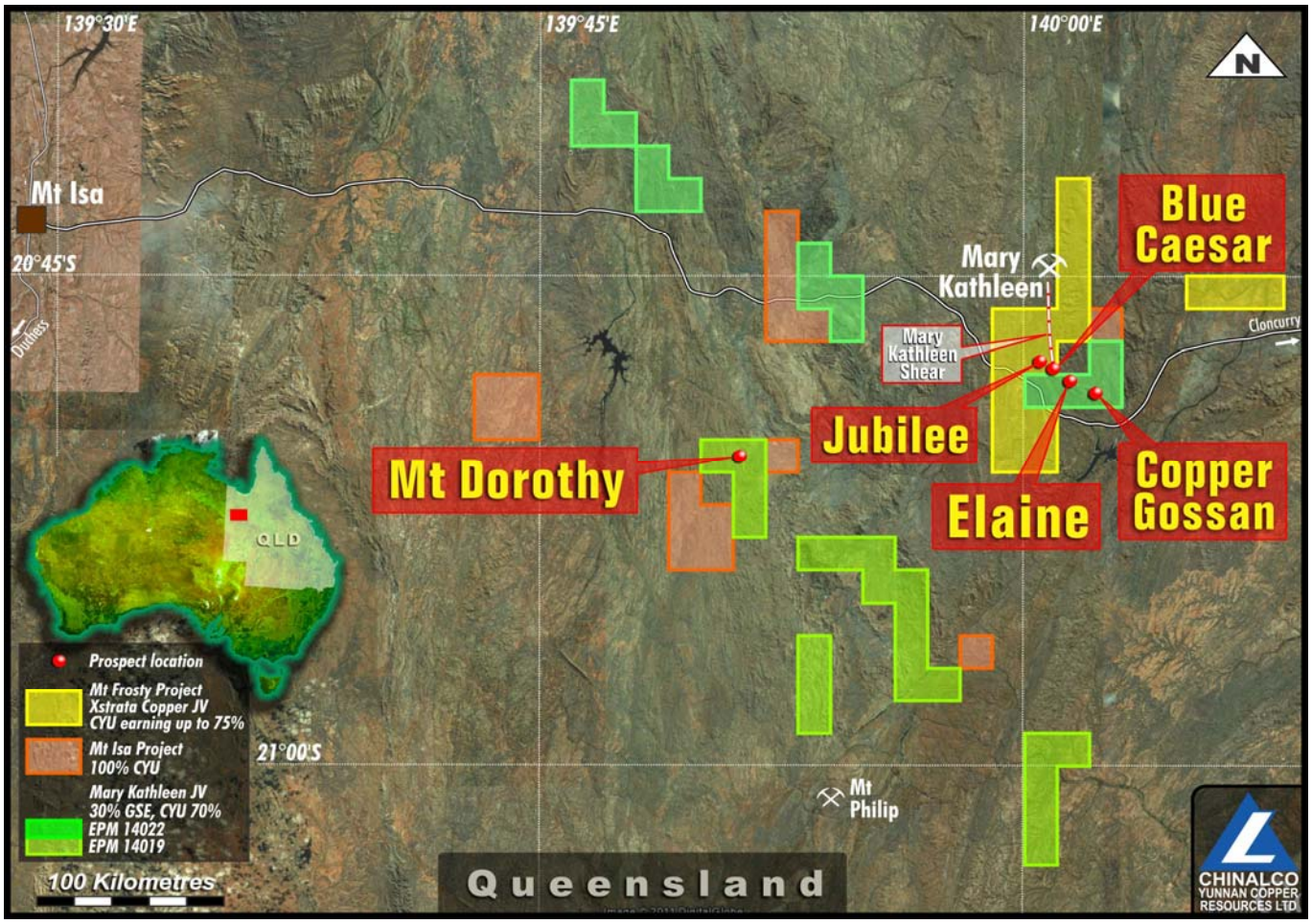
Hole ID	UTM* East (m)	UTM* North (m)	RL (m)	Dip (°)	UTM** Azimuth (°)	Maximum Depth (m)
Elaine 1						
MKED035	398,557	7,698,740	404	-60	296	169.12
MKED036	398,095	7,699,705	385	-90	N/A	896.98

* Datum is UTM MGA94 Zone 54

MKED035 was designed as a regional wildcat drillhole targeting a potential trap site along the regional Mary K shear zone. This area had also been identified with coincident soil copper/gold and air-magnetics anomalies.

MKED035 was drilled underneath a copper stained, northeast trending, gossan outcrop approx. 50m x 15m with a small scrapping/working situated at the northern tip across a small creek. During site preparation, addition surface mineralisation was also identified ~50m to the northwest of this gossan outcrop.

MKED036, a vertical diamond drillhole, was designed to test the main mineralised zone of the Elaine copper-gold resource to 800 metres. Besides confirming the exploration and resource



modeling, MKED036 will be utilised for metallurgical testwork to increase confidence and review the economics of the deposit. Currently, the resource has been defined to 500 metres depth.

MKED036 is located approximately in the centre of the recently defined copper-gold resource at the Elaine 1 prospect. Utilising existing drill pad MKED012/MKED013, the hole was drilled down the main body of the resource. Subsequent to the drilling of this hole, an EH4 geophysical survey was undertaken on an 800 metre line approx. 120 metres to the southwest of MKED036. The survey returned a strong resistivity low defining the biotite schist/shear zone as modelled by MDA in the resource evaluation.

MKED036 was drilled past its planned depth of 800 metres to test the continuity and depth extent of over 1.2 kilometres of resistivity geophysical anomalies defined by the EH4 program. A good correlation and continuity between the EH4 anomalies and sulphide mineralisation was observed in the core of MKED036.

Table 2. Significant Copper+Gold Intersections
(at 0.25% CuEq with maximum 3m internal dilution)

Hole ID	From (m)	To (m)	Width (m)	Cut-off	Au (g/t)	CuEq (%)
MKED035	**76**	**77**	**1**		**0.02**	**1.81**
	141	143	2		0.02	0.30
	123	124	1		0.15	<0.01
	139	140	1	0.20g/t Au	0.27	<0.01
	153	154	1	0.20g/t Au	0.37	0.07
	162	**164**	**2**	**0.20g/t Au**	**1.03**	**0.12**
	172	176	4		0.25	0.34
	185	188	3		0.02	0.47
	231	**280**	**49**		**0.06**	**0.80**
inc	**231**	**262**	**31**	**0.5% Cu**	**0.08**	**1.06**
inc	**232**	**254**	**22**	**1% Cu**	**0.10**	**1.24**
MKED036	284	288	4		0.06	0.43
	292	322	30		0.08	0.49
	326	357	31		0.05	0.40
	361	383	22		0.03	0.48
	391	398	7		0.02	0.29
	421	422	1		0.01	0.42
	436	437	1		0.01	0.42
	448	450	2		0.06	0.51
	479	480	1		1.32	0.14
	484	496	12		0.04	0.27
	501	502	1		0.11	0.17
	508	511	3		0.04	0.40
	520	532	12		0.05	0.29
	536	**538**	**2**		**0.04**	**1.09**
	544	560	16		0.03	0.29
	567	571	4		0.03	0.28
	576	584	8		0.04	0.46
	591	592	1		0.01	0.53
	596	597	1		0.01	0.36
	613	622	9		0.06	0.34
	638	644	6		0.05	0.42
	649	651	2		0.03	0.42
	658	659	1		0.01	0.26
	777	778	1		0.03	0.25
	808	809	1	0.20g/t Au	0.21	<0.01

MKED035 intersected only minor intervals of sulphide mineralisation confined to small clusters of sulphide veinlets. The best intersection returned was 1m @ 1.81% copper and 0.02g/t gold.

Assays for MKED036 returned significant copper mineralisation highlighted by ***49m @ 0.80% copper and 0.06g/t gold*** *from 231 metres including* ***22m @ 1.24% copper and 0.10g/t gold*** *from 232 metres. This intersection is contained in a broad sulphide (pyrrhotite + chalcopyrite +/- pyrite) mineralised zone of 167m @ 0.50% copper and 0.05g/t gold from 231 metres that is being used for metallurgical testwork. Assays returned from below the 500m resource base were highlighted by a narrow intersection of mineralisation. 3D modelling of the drill data and EH4 geophysics is currently underway. Surveys from MKED036 indicate a slight lift of the drillhole which appears to have resulted with MKED036 drilling along the margin of the EH4 geophysical anomaly and the footwall uranium-thorium-REE mineralisation.*

Both holes intersected significant uranium-thorium-REE mineralisation highlighted by MKED036 intersecting ***6m @ 207ppm uranium oxide, 813ppm thorium oxide and 4,938ppm total rare earth oxides*** *from 638 metres including* ***3m @ 366ppm uranium oxide, 1,472ppm thorium oxide and 7,185ppm total rare earth oxides*** *from 640 metres and* ***10m @ 107ppm uranium oxide, 330ppm thorium oxide and 2,490ppm total rare earth oxides*** *from 712 metres including* ***2m @ 371ppm uranium oxide, 1,132ppm thorium oxide and 6,760ppm total rare earth oxides*** *from 717 metres.*

A lower cut-off of 1,000ppm TREO was utilised for MKED035, highlighting a difference in the portion of light rare earth elements (LREE) and heavy rare earth elements (HREE). Both the historic Mary Kathleen Uranium Mine and the Elaine uranium-rare resource rare earth mineralisation are comprised of >95% LREE dominated by cerium, compared to ~80% LREE in MKED035 at the Elaine 2 prospect. Typically, concentrations of HREE are seen to increase closer to the primary source of the mineralized fluids. This trend is also evident from 801 metres in MKED036 with the proportion of HREE increasing with depth.

Age dating was undertaken as part of a 2012 JCU Honours Thesis on the Elaine copper-gold prospect. A comparison of three dating methods returned an age range of 1529 ±6 Ma to 1524 ±9 Ma. This timing is contemporous with the timing of copper-gold mineralisation deposition throughout the Eastern Succession and related to the granitic intrusive phase of the William & Naraku Batholiths. Granitic intrusions of this age have not been identified from surface programs within the project, with all granites in the area from older intrusive events. CYU is defining the Mary Kathleen Shear Zone as an important major pathway for mineralised fluids from a deep seated source.

Table 3. Significant U_3O_8-ThO_2 -REO Intersections (at 150ppm U3O8, 250ppm ThO2 and 1500ppm TREO cut-off with maximum 3m internal dilution)									
Hole ID	**From (m)**	**To (m)**	**Width (m)**	**U_3O_8 (ppm)**	**ThO_2 (ppm)**	**TREO* (ppm)**	**LREO** (%)**	**HREO*** (%)**	**Cut-off**
MKED035	3	5	2	8	22	1,093	***71***	***29***	1,000 ppm TREO
	12	16	4	8	57	1,107	***76***	***24***	
	18	20	2	7	7	1,012	***76***	***24***	
	24	25	1	8	9	1,074	***78***	***22***	
	27	33	6	8	34	1,066	***79***	***21***	
	60	61	1	9	59	1,185	***83***	***17***	
	65	66	1	9	20	1,062	***81***	***19***	
	106	107	1	8	52	1,134	***82***	***18***	
	120	129	9	8	41	1,028	***78***	***22***	
	138	139	1	9	22	1,233	***85***	***15***	
	146	147	1	9	30	1,020	***78***	***22***	
MKED036	386	387	1	52	161	1,586	99	1	
	390	393	3	36	258	2,562	98	2	
	424	425	1	88	318	2,057	97	3	
	449	452	3	11	58	1,527	93	7	
	462	466	4	15	100	2,444	93	7	
	469	472	3	19	73	2,282	96	4	
	563	567	4	149	464	2,982	95	5	
inc	563	565	2	230	717	4,798	99	1	
	574	575	1	24	94	1,613	95	5	
	606	608	2	119	377	3,046	96	4	
	625	627	2	85	295	2,120	95	5	
	638	***644***	***6***	***207***	***813***	***4,938***	***97***	***3***	
inc	***640***	***643***	***3***	***366***	***1,472***	***7,185***	***98***	***2***	**150 ppm U_3O_8**
inc	***642***	***643***	***1***	***472***	***2,276***	***11,696***	***99***	***1***	
	653	657	4	48	183	1,608	95	5	
	661	667	6	51	164	2,014	94	6	
	676	677	1	88	323	2,727	96	4	
	682	684	2	27	65	1,914	95	5	
	692	694	2	20	143	1,823	93	7	
	698	699	1	16	52	1,644	94	6	
	712	***722***	***10***	***107***	***330***	***2,490***	***92***	***8***	
inc	***716***	***719***	***3***	***295***	***905***	***5,650***	***99***	***1***	**150 ppm U_3O_8 1,000 ppm ThO_2**
inc	***717***	***719***	***2***	***371***	***1,132***	***6,760***	***99***	***1***	
	801	802	1	19	88	1,607	***90***	***10***	
	813	814	1	33	101	1,624	***90***	***10***	
	816	817	1	36	108	1,524	***88***	***12***	
	832	833	1	34	211	643	***81***	***19***	200ppm ThO_2

** Total rare earth oxides = all rare earth elements + Sc/Y ** Light rare earths = Ce, La, Nd, Pr, Sm, Eu, Gd *** Heavy rare earths = Dy, Er, Ho, Lu, Tb, Tm, Yb +Sc/Y*

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, confirm the significant sulphide mineralisation zone identified and targeted for testwork sampling. A fourth zone of high grade gold and copper mineralisation was also selected from MKED023.

Each zone comprises a composite sample varying in width from 6-8 metres. Intervals and length weighted average for each zone is outlined in Table 4. Each sample will be 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 if required.

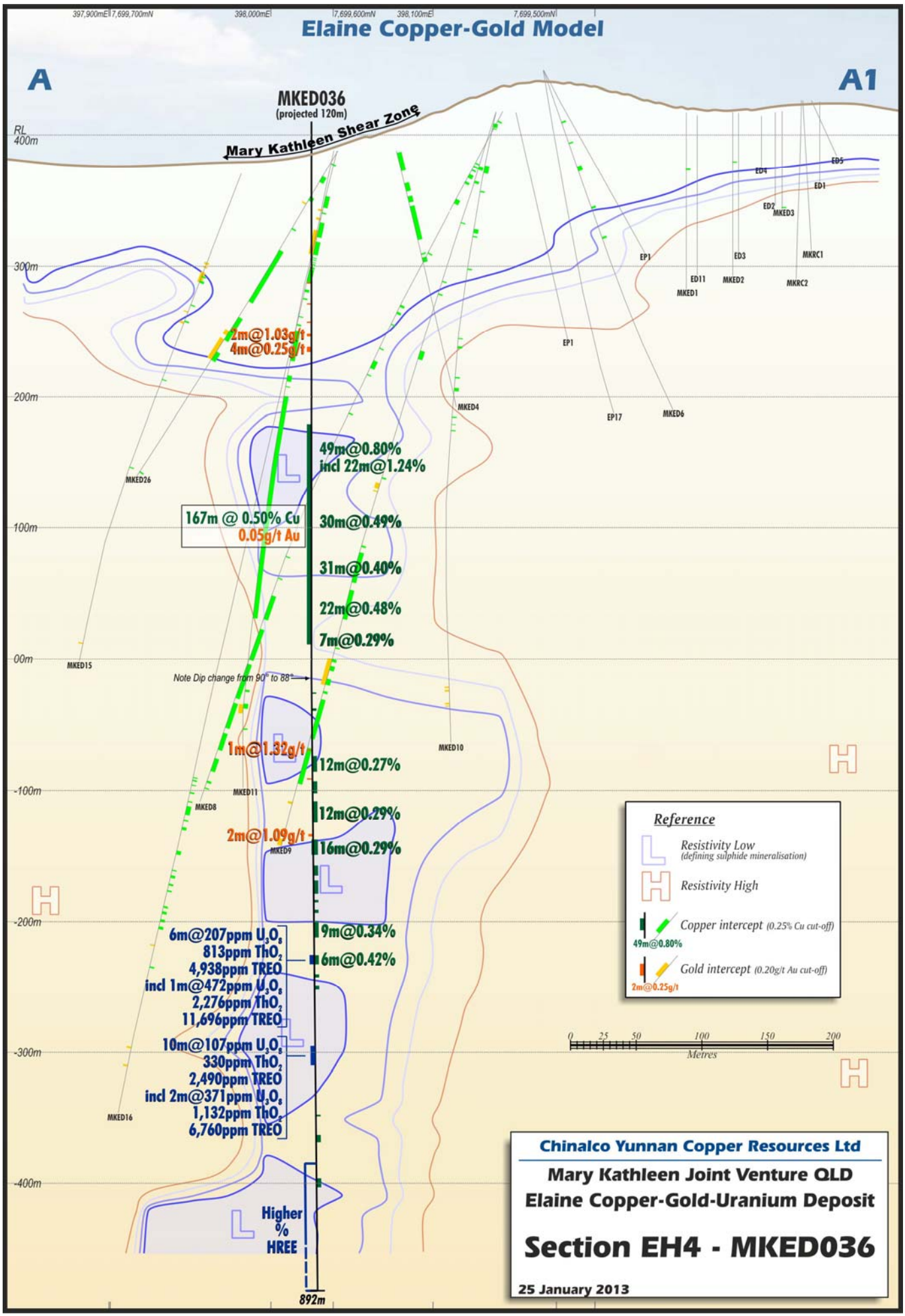
The samples are currently undergoing testwork at ALS Metallurgy lab (Adelaide). Results are not expected to be returned until the end of Q1 2013.

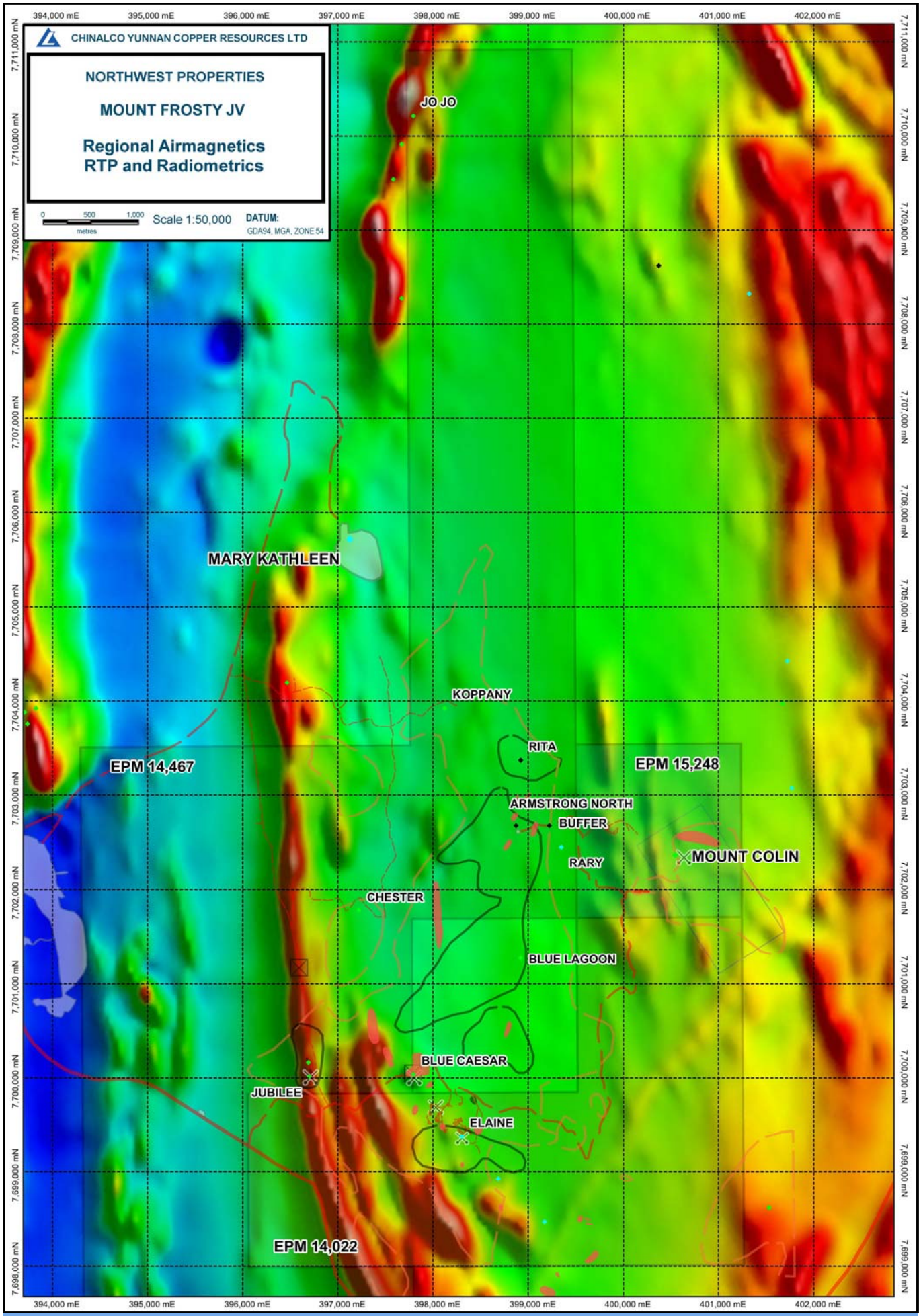
Exploration programs will continue to further new targets along the Mary Kathleen Shear Zone in the Mount Frosty JV area adjacent to the Elaine project in Q1 2013 depending on wet season conditions.

Based on the success of the EH4 orientation line, a detailed EH4 survey targeting the 12 kilometre strike length of the Mary Kathleen Shear Zone will be undertaken. EH4 is a passive, American-designed, deep penetrating MT (magnetotellurics)/EM (electromagnetics) geophysical method capable of reading to 1.2 kilometres.

The main focus will be to identify and develop commercial copper and gold resources within the MKJV leases and the Xstrata Copper Mt Frosty joint venture area.

Table 4. Metallurgical sample zones in diamond drillholes MKED023 & MKED036						
Hole ID	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**	**Cu (%)**	**Comment**
MKED023	462	470	8.0	1.07	1.26	LWA*
	234.6	243	8.4	0.18	1.25	LWA*
	492	498	6.0	0.06	0.24	LWA*
	638	644	6.0	0.05	0.42	LWA*
** Length Weighted Average*				0.34	0.79	


Elaine Copper-Gold Model
A
A1
MKED036
(projected 120m)
Mary Kathleen Shear Zone
RL
400m
300m
200m
100m
00m
-100m
-200m
-300m
-400m
2m@1.03g/t
4m@0.25g/t
49m@0.80%
incl 22m@1.24%
167m @ 0.50% Cu
0.05g/t Au
30m@0.49%
31m@0.40%
22m@0.48%
7m@0.29%
Note Dip change from 90° to 88°
1m@1.32g/t
12m@0.27%
12m@0.29%
2m@1.09g/t
16m@0.29%
9m@0.34%
6m@0.42%
6m@207ppm U3O8
813ppm ThO2
4,938ppm TREO
incl 1m@472ppm U3O8
2,276ppm ThO2
11,696ppm TREO
10m@107ppm U3O8
330ppm ThO2
2,490ppm TREO
incl 2m@371ppm U3O8
1,132ppm ThO2
6,760ppm TREO
Higher
%
HREE
892m
MKED26
MKED15
MKED4
MKED6
EP17
EP1
MKED10
MKED11
MKED8
MKED9
MKED16
ED5
ED4
ED1
ED2
MKED3
ED3
MKRC1
ED11
MKED2
MKRC2
MKED1
Reference
Resistivity Low
(defining sulphide mineralisation)
Resistivity High
Copper intercept (0.25% Cu cut-off)
49m@0.80%
Gold intercept (0.20g/t Au cut-off)
2m@0.25g/t
0 25 50 100 150 200
Metres
Chinalco Yunnan Copper Resources Ltd
Mary Kathleen Joint Venture QLD
Elaine Copper-Gold-Uranium Deposit
Section EH4 - MKED036
25 January 2013



Mount Frosty JV Project. Reconnaissance geological traverses over ~12km strike of Mary K Shear Zone overlain on the Xstrata Copper VTEM anomalies and Magnetic image.

MOUNT FROSTY JOINT VENTURE
(CYU EARNING IN : XSTRATA COPPER 100%)

CYU signed a binding agreement in 2012 with Xstrata Mount Isa Mines Limited ("Xstrata Copper") to commence exploration activities on the Mount Frosty project (EPM 14467) covering the Mary Kathleen Shear Zone. CYU is currently continuing with regional programs and is concentrating on the two (2) grassroots prospects in the project area, Blue Caesar and Jubilee.

At the end of the quarter, field investigations were completed on a series of first-pass traverses with geological mapping along the Mary Kathleen Shear. Drill targets have been generated and will be systematically drilled to test the strike extent of this new copper-mineralised corridor in the heart of the Mount Isa district.

During the quarter, following a detailed review of the historical exploration data, 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, Elaine in the MKJV, include Blue Caesar and Jubilee Prospects.

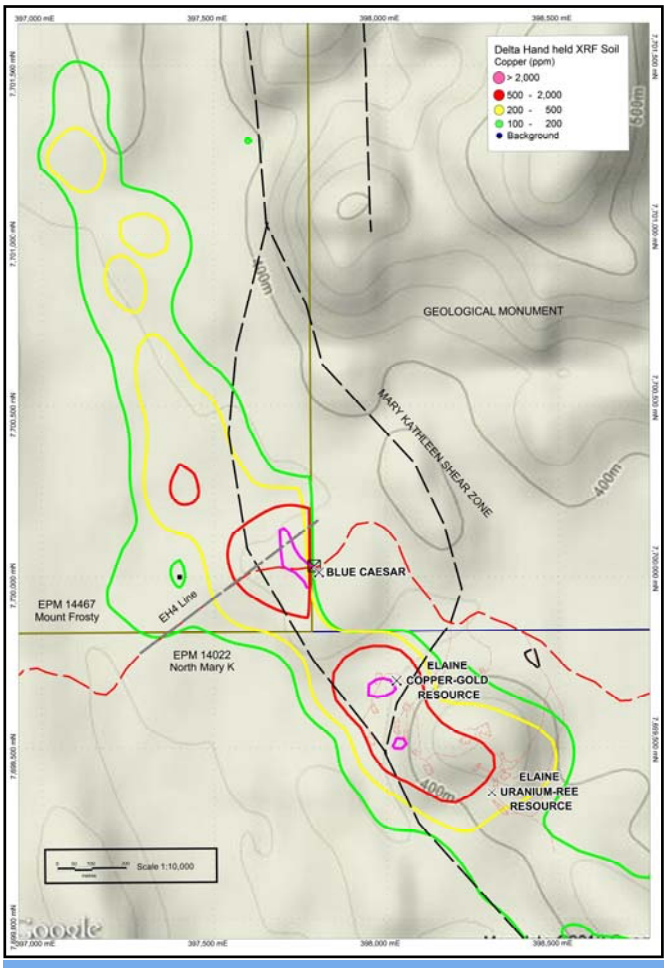
Mapping undertaken (at 1:5000) concentrated on the ~12 kilometre strike length of the Mary Kathleen Shear Zone and a secondary copper-gold prospect, Jubilee, has been identified for follow-up work.

A 1.4km x 1.1km hand-held XRF sampling program for a total of 532 readings was undertaken at the Blue Caesar prospect and an 800m x 300m hand-held XRF sampling program for a total of 336 readings was conducted at the Jubilee prospect.

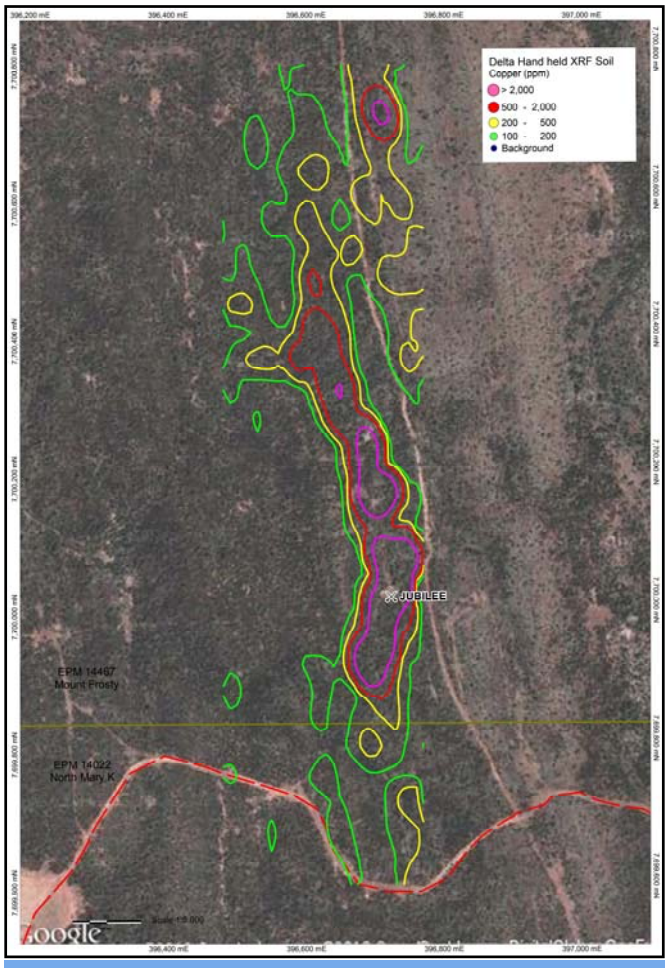
Both programs returned strong copper anomalies with Blue Caesar returning a ~1 kilometre, northwest trending, >200ppm copper anomaly with peak values returned of 5,955ppm copper. The Blue Caesar anomaly copper also continues to the southeast where it joins the Elaine copper-gold resource soil-copper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

A single 800 metre EH4 line was also run over the main magnetic anomaly associated with the Blue Caesar prospect. Unfortunately, due to the close proximity to high voltage power lines, reliable readings were unable to be taken.

Follow-up prospect scale mapping and further reconnaissance sampling is underway, targeting areas of co-incident magnetic, VTEM and the areas of interest identified.



Mount Frosty JV Project – Blue Caesar Delta XRF soil program.



Mount Frosty JV Project – Jubilee Delta XRF soil program.

CLONCURRY NORTH PROJECT
(YEX EARNING IN : CYU 100%)

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

YEX will farm-in and subsequently obtain the opportunity of earning up to a 55% of the Cloncurry North project.

During the quarter, YEX received drill results targeting a number of anomalies defined by deep-penetrating EM geophysical survey (EH4) undertaken in late 2011, on the FC4 prospect, EPM 15095, approximately six kilometres north of Ernest Henry mine.

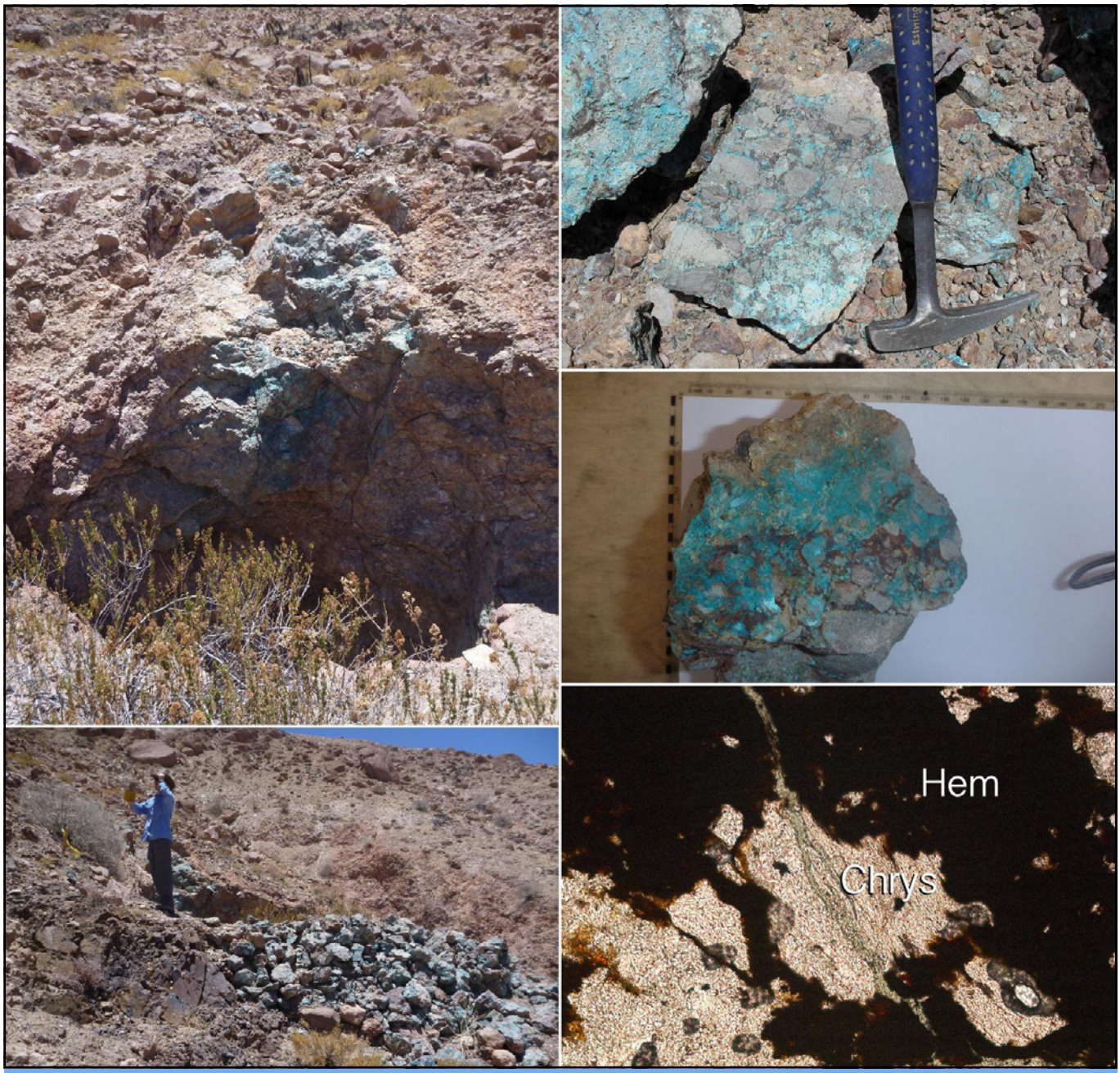
Two deep diamond core holes, ZK01 and ZK02, were each drilled beyond 750 metres and totalled 1519.1 metres, and ZK01 returned 104m @ 0.1% copper from 474 metres.

The alteration assemblage associated with chalcopyrite-gold mineralisation at Ernest Henry (i.e., Kfeldspar-biotite-magnetite-calcite-apatite) is present in the inspected FC4 drill core in spaced, and relatively thin, intervals (4 to 8 metres), at a much lower intensity of development.

In contrast to the ore zone of Ernest Henry, extensive intervals of FC4 core consist of the red-rock assemblage (reddened and hematitic feldspar-amphibole-calcite-quartz ± pyrite, chalcopyrite). This assemblage is widespread in the Cloncurry region and is difficult to associate directly with specific IOCG deposits.

ZK01 could have intersected the periphery or 'halo' of an Ernest Henry-style deposit (at depth?). Alternatively, the mineralisation at FC4 may simply be the result of a weakly developed and poorly focussed IOCG system without an economic 'ore' component.

YEX will now concentrate on the Little Isa target with a view to a drill proposal.



Surface copper mineralisation and evidence of historical diggings, Candelabro prospect, Northern Chile. (Hem=hematite. Chrys=chrysocolla copper mineralisation.)

CHILE - Copper - Rio Tinto JV

SUMMARY

All exploration initiatives are focused on large scale porphyry copper exploration with drill operations completed at the Candelabro and Caramasa prospects and preparations for geophysical programs underway in Palmani, Sulfatos and Humito.

CANDELABRO

(CYU EARNING IN : RIO TINTO 100%,)

The Candelabro copper porphyry prospect is located approximately 110km east of Iquique in northern Chile. The property area is 4,200 hectares and was discovered by Rio Tinto in a greenfield exploration program based on metallogenic data and satellite imagery. The location placed the Candelabro prospect within the Palaeocene Porphyry Copper Belt of northern Chile (60–50Ma), which hosts the nearby Cerro Colorado deposit (191Mt @ 1% Cu and 0.015% Mo), approximately 45 kilometres to the south.

Rio Tinto and CYU Chile entered a Joint Venture in September 2011. CYU Chile has conducted geological mapping and a 6 drill hole program from December 2011 to July 2012. Drill holes were named CAND0004 to CAND0009 and totaled 2500.55 metres. The holes were drilled to test geological and geophysical targets identified by Rio Tinto Exploration.

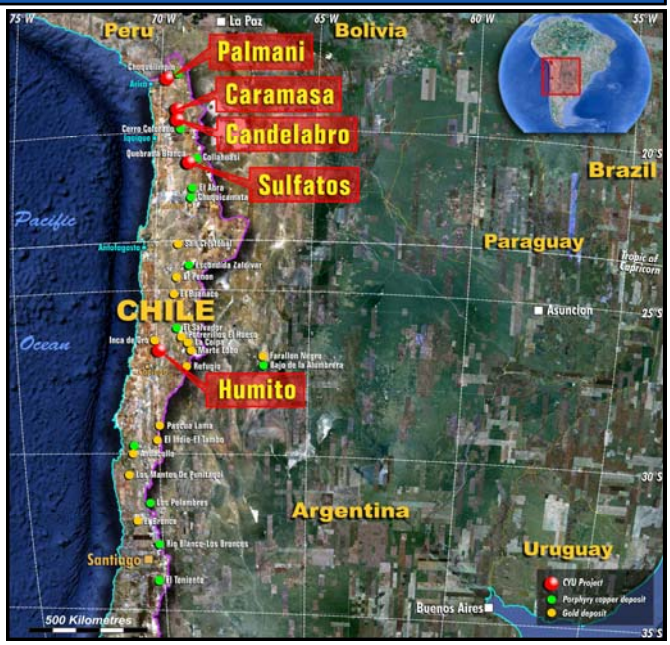
Table 5. Candelabro - Phase 1 Diamond Drilling

Hole ID	East (m)	North (m)	RL (m)	Dip (°)	Azimuth (°)	Depth (m)
CAND0004	469,655	7,829,170	2,602	-72	18	108.15
CAND0005	470,246	7,829,154	2,753	-78	160	486.60
CAND0006	470,053	7,829,381	2,698	-79	123	620.20
CAND0007	469,770	7,829,415	2,690	-73	178	392.85
CAND0008	470,363	7,829,182	2,760	-63	120	590.95
CAND0009	470,051	7,829,305	2,726	-69	202	301.80
					Total (metres) :	**2,500.55**

Datum is PSAD56, Zone 19S.

Porphyry-style hydrothermal alteration is recognized both on surface and in drill core at Candelabro. The geology suggested a potential porphyry environment at greater depth, with only minor porphyritic intrusives seen throughout a predominantly sedimentary rock package. Mineralisation identified from drilling can be classified 1) Veinlets: a) grey quartz veinlets with pyrite and/or chalcopyrite, b) white quartz veinlets with pyrite and rarely molybdenite and sphalerite; 2) Disseminated: pyrite and chalcopyrite in the matrix of the sandstone and intrusives. The most encouraging mineralised intersection was seen in CAND0007 and consisted of 29m @ 0.17% Cu from 30 metres.

An extensive data review and 3D modelling is being undertaken with further detailed mapping and deep penetrating 3D IP/MT geophysical programs to be completed before any further drill targeting.



CARAMASA

(CYU EARNING IN : RIO TINTO 100%)

CYU completed a Phase 1 Scout diamond drill program of three holes for a total depth of 1,618.30 metres

The drill holes were designed to test geological and geophysical targets outlined by Rio Tinto Exploration and CYU. The geological target defined by Rio Tinto was developed by undertaking geological mapping which outlined tourmaline breccia zones and potential alteration zoning from a propylitic to phyllic assemblage. No previous drilling had been undertaken at the Caramasa prospect.

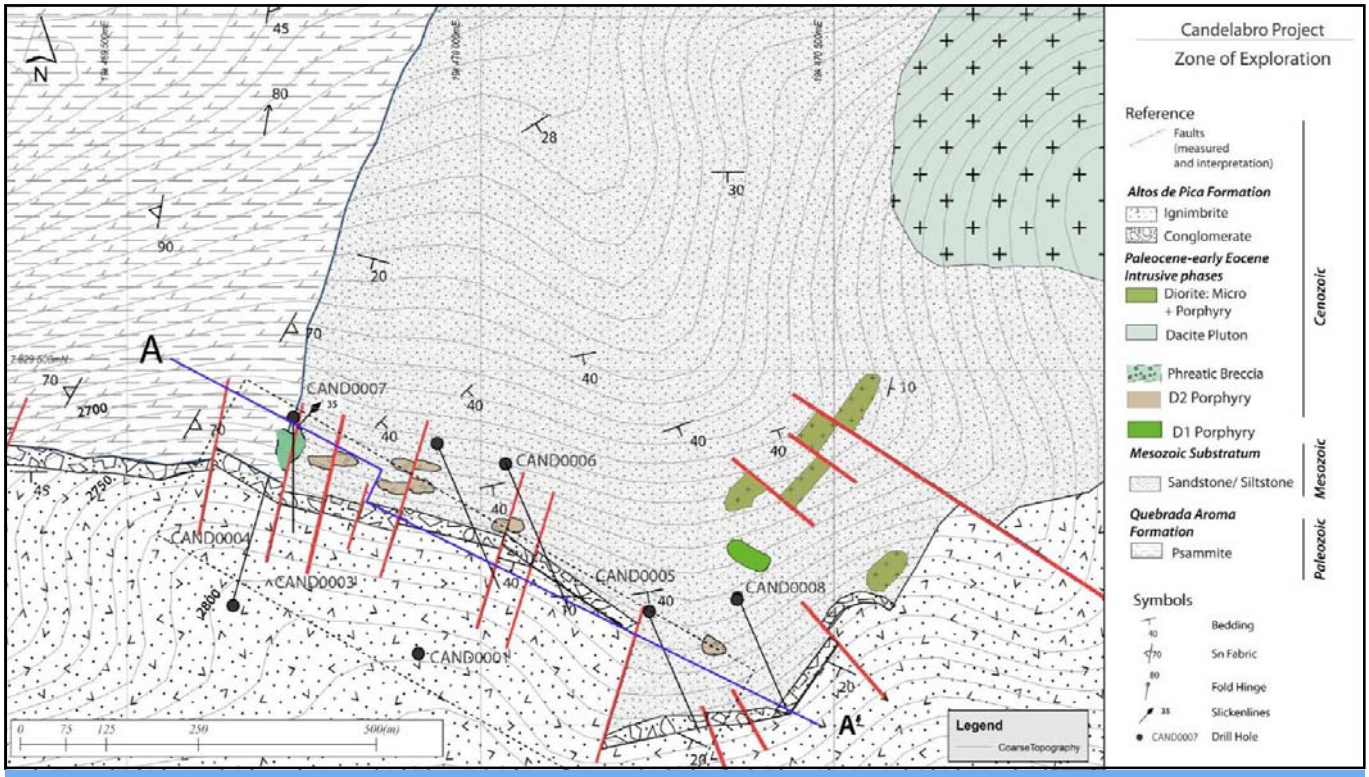
Phase 1 of drilling consisted of three drill holes, two designed to target tourmaline brecciation and the main geophysical structure (CARD0001 and CARD0003), and another (CARD0002) targeting the sheeted vein system (some of which contained minor epithermal textures and were tested by the quebrada/drainage sampling), outcropping limonitic alteration and a conductive geophysical anomaly.

Table 6. Caramasa - Phase 1 Diamond Drilling

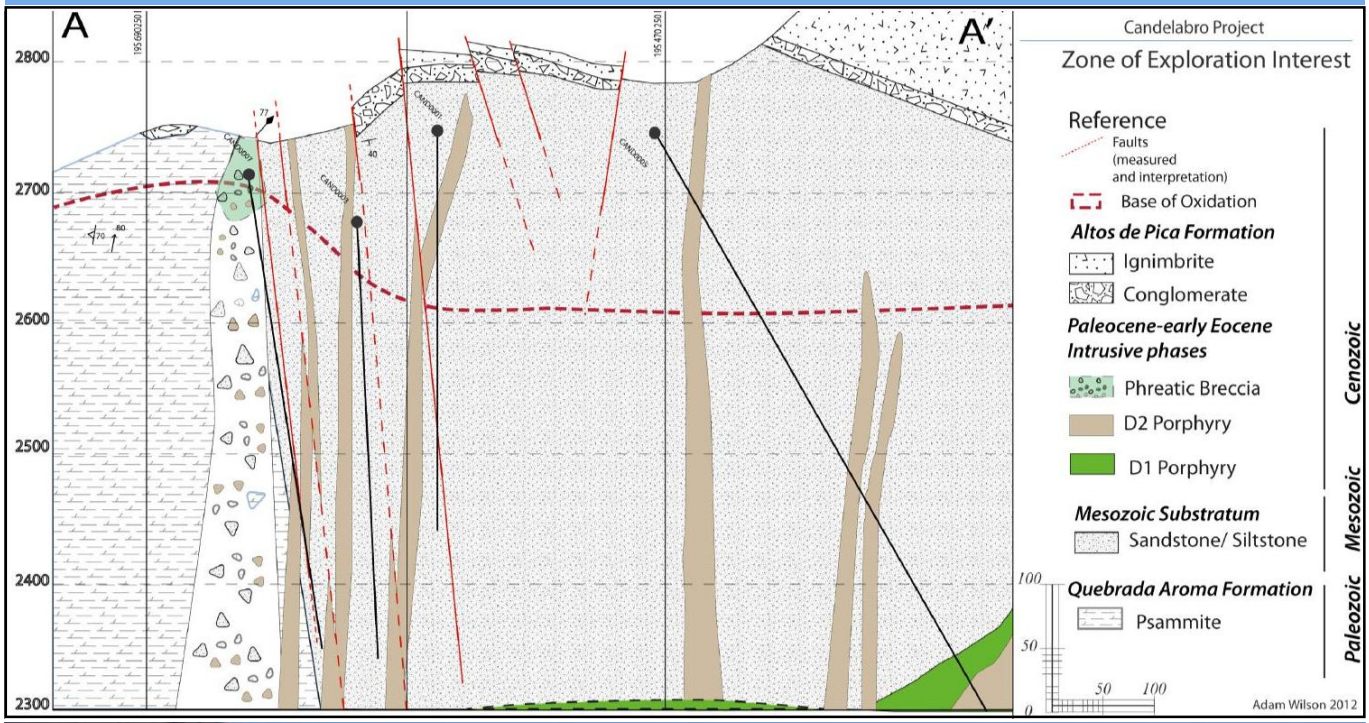
Hole ID	East (m)	North (m)	RL (m)	Dip (°)	Azimuth (°)	Depth (m)
CARD0001	460,978	7,862,669	2,590	-70	56.5	240
CARD0002	460,144	7,862,619	2,563	-70	303.5	714
CARD0003	460,974	7,862,664	2,590	-65	15.5	664.30
					Total (metres) :	**1,618.30**

Datum is PSAD56, Zone 19S.

CARD0003 was considered a re-drill of CARD0001 (which was halted due to poor drill hole conditioning). The completion of the program at Caramasa identified



Candelabro geological plan of main zone of exploration (above) and section A-A' (below).



Candelabro ignimbrite

an environment considered to be peripheral to a potential, deep-seated porphyry system, and did not intersect any significant copper-bearing geology. The presence of an immature propylitic-dominant alteration assemblage and quartz-sulphide bearing sheeted "D-type" veins suggests that the proposed porphyry core could be at considerable distance vertically and/or laterally from the targeted area.

Results returned minor intersections, with peak value of 1m @ 0.62% copper in CARD0003 and 1m @ 1.04g/t Au and 35.3g/t Ag in CARD0002.

Upon completion of collation of the drilling data, a full review of all available information, including 3D modelling, will be applied to further understand the prospect. In addition, further detailed mapping and more detailed geophysical survey could be applied with aim of developing more reliable drill targets.

Table 7. Caramasa - Phase 1 Diamond Drilling Significant Intersections

HOLE ID	From (m)	To (m)	Width (m)	Cu (%)	Ag (ppm)	Mo (ppm)
CARD0002	238	239	1	0.04	15.3	8
	292	293	1	0.06	35.3	6
	351	352	1	0.15	5.9	5
	360	361	1	0.20	1.5	6
	581	582	1	0.13	<0.5	7
CARD0003	110	111	1	0.11	<0.5	5
	119	120	1	0.11	<0.5	4
	130	131	1	0.15	<0.5	4
	134	135	1	0.17	<0.5	5
	144	145	1	0.13	<0.5	4
	171	172	1	0.21	<0.5	7
	177	178	1	0.17	<0.5	4
	212	213	1	0.10	<0.5	<2
	421	422	1	0.62	10.7	7

HOLE ID	From (m)	To (m)	Width (m)	Au (g/t)	Notes
CARD0002	130	133	3	0.22	
	279	280	1	0.21	
	292	293	1	1.04	inc. 35.3 g/t Ag
	295	296	1	0.12	
	410	411	1	0.11	
	425	426	1	0.17	
CARD0003	No assays with values of 0.1g/t Au or greater				

PALMANI
(CYU EARNING IN : RIO TINTO 100%)

During the quarter, alternate site access was investigated and approvals sought to enable access to additional areas of the project. A deep penetrating 3D IP survey is being proposed to be undertaken during the 2013 field season.

HUMITO
(CYU 100%)

During the quarter, field programs were finalised for further detailed mapping and a deep penetrating 3D IP/MT geophysics to be undertaken to better aid drillhole targeting. Targeting is focusing on the potential of a deep-seated porphyry body. When used in conjunction with the previous Ground Magnetics survey, CYU will aim to look for coincident anomalies of low magnetics and high chargeability, which could indicate a mineralised potassic porphyry core being overprinted by a later stage phyllic alteration assemblage.

SULFATOS
(CYU EARNING IN, CODELCO 100%)

China Yunnan Copper Australia Chile Limitada, a Chilean subsidiary of Chinalco Yunnan Copper Resources Limited (ASX code: CYU), has signed a farm-in agreement with Compañía Contractual Minera Los Andes (CCMLA, a subsidiary of Codelco, the world's largest copper producer) for the copper porphyry exploration property Sulfatos in northern Chile, where CYU can earn-in up to 51% interest at Sulfatos over 6 years.

CCMLA worked on the project for more than 10 years and defined a porphyry system through mapping, geochemical sampling and drilling, The best drillhole intersected returned 92m @ 0.65% copper.

No field work has been undertaken by CYU in the quarter. Rehabilitation of 8 kilometres of access track was commenced and expected to be completed in January 2013. A proposed, 8 kilometre, single, 3D IP/MT geophysical line using Zonge Geophysics is schedule to commence in late January 2013.

The current access to Sulfatos prospect along a dry stream bed (quebrada).

LAOS - Jiuzhai Copper-Polymetallic Project

SUMMARY

CYU holds 51% equity of Yunnan Copper Sanmu Mining Industry Co. Ltd (Sanmu), a Chinese registered company, which controls 100% of four projects in northern Laos.

The corporate exploration target is 80-100 million tons at a grade of 0.9-1.0% copper and 120-150g/t silver targeting sedimentary copper deposits. Short-term processing of copper-silver ore bodies in neighbouring Yunnan Copper Industries (YCI) facilities is also a realistic project objective in Laos, subsequent to resource drilling.

Limited fieldwork, including geological mapping and track clearing at Xinzhai, was undertaken during the quarter, data compilation and analysis was undertaken reviewing base and precious metals anomalies defined by electrical geophysics, trenches and underground adit sampling and the diamond drill programs at the Xinzhai (1 hole) and Jiuzhai (3 holes) projects completed in 2012.

XINZHAI PROJECT
(SANMU 49%, CYU 51%)

All geological, geophysical, geochemical and drilling data has been combined. The Xinzhai project depth potential has only been to test to date with the single – ZK1301 (2012) diamond drillhole totaling 376.56 metres. Assay results from this drillhole returned minor copper mineralisation from the intervals corresponding with interbedded breccia zones as very fine-grained sporadic chalcocite disseminations and stockworking.

Follow-up surface mapping has identified copper mineralisation outcropping, mostly hosted in the fault zones. The majority of mineralisation identified to date is dominated by copper oxides of malachite. Small zones of sulphide mineralisation as chalcocite have also been identified from adit sampling and drilling. A deep feeder structure has not been identified to date and a deep penetrating geophysical program is required to be undertaken to assist in future drill targeting.

A number of surface copper, lead and zinc geochemical anomalies have been identified in the exploration area, in conjunction with several intermediate-gradient induced polarisation (IP) geophysical anomalies. Drillhole targeting is underway for continued exploration planned to focus on these anomalies with the aim of identifying a Mesozoic and Cenozoic sedimentary- hosted copper polymetallic deposit.

Locations of Jiuzhai, Xinzhai, Nadao and Modeng projects held by Sanmu in Northern Laos. Sanmu will drill several targets at Jiuzhai and Xinzhai projects in 2011/12.

JIUZHAI PROJECT
(SANMU 49%, CYU 51%)

Low-grade copper, lead, zinc and silver content was intersected from the 2012 diamond drill program totaling 730.90 metres in three drillholes targeting silver, lead and zinc geochemical anomalies.

Geostatistical analysis of geochemical and drillhole data supports the identification of four separate lead-zinc anomalous zones. In combination with observations made in the drill core, these zones are located in the faulted and shattered zone, indicating a structural control to the mineralisation.

Regionally, there are multi-stage tectonic movements, fracturing and fold development. Background values of silver, lead and zinc are high and, in combination with favorable geological settings, the project area has the potential of carbonate-related silver, lead and zinc deposits and lateritic silver deposits.

The drill results however, have downgraded Jiuzhai with respect to Xinzhai which will be the focus of the upcoming field season.

Corporate

BOARD OF DIRECTORS

Zhihua Yao, Non-Exec Chairman
Zewen Yang, Executive Director
Richard Hatcher, Executive Director
Jason Beckton, Non-Executive Director

COMPANY SECRETARY

Paul Marshall

FURTHER INFORMATION

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SHARE REGISTRY

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ISSUED SHARE CAPITAL

Chinalco Yunnan Copper Resources Limited has 247.99 million ordinary shares currently on issue and 3 million options.

Quarter	High	Low	Last
Dec 2008	$0.19	$0.07	$0.07
Mar 2009	$0.10	$0.07	$0.068
Jun 2009	$0.20	$0.16	$0.17
Sep 2009	$0.35	$0.16	$0.24
Dec 2009	$0.35	$0.17	$0.20
Mar 2010	$0.35	$0.205	$0.205
Jun 2010	$0.23	$0.091	$0.15
Sep 2010	$0.225	$0.091	$0.165
Dec 2010	$0.20	$0.15	$0.175
Mar 2011	$0.44	$0.18	$0.31
Jun 2011	$0.31	$0.18	$0.185
Sep 2011	$0.26	$0.155	$0.155
Dec 2011	$0.235	$0.16	$0.18
Mar 2012	$0.19	$0.165	$0.165
Jun 2012	$0.19	$0.10	$0.11
Sep 2012	$0.13	$0.08	$0.10
Dec 2012	**$0.115**	**$0.08**	**$0.081**

Competent Person's Statement

The information in this report that relates to the 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". Mr Ristorcelli 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 related to the Inferred resource in the form and context in which it appears.

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.

View north west from Elaine 2 prospect, Mary Kathleen JV, QLD.