

ASX/Media Announcement

26th November 2010

Mt Dorothy Drilling Update

Significant visual sulphide zone in drilling intercepts

China Yunnan Copper Australia Limited (ASX: CYU) announces today significant visual intercepts from drilling on its **Mount Dorothy copper+cobalt prospect**, part of the Mary Kathleen joint venture with **Goldsearch Limited** (ASX: GSE) in Northwest Queensland.

The second of five diamond drill holes (MDD006), currently at 82m depth, has returned a significant supergene sulphide copper intersection.

CYU's Managing Director Jason Beckton, said "These results are visual and therefore we will not speculate on the copper grade but confirm the strength of the system 50 metres deeper from previous drilling. Assay results are pending. This is confirmation that the supergene chalcocite zone is open and on completion of this hole we will continue to target this zone at depth."



Figure 1. MDD006 – Core recovered in the target breccia from 55.5 metres and continues at depth beyond 62 metres as shown. Yellow brown rock in bottom metres is supergene Chalcocite (Copper Sulphide) breccia from 60.5 metres confirms the extension at depth of the Mt Dorothy sulphide breccia.

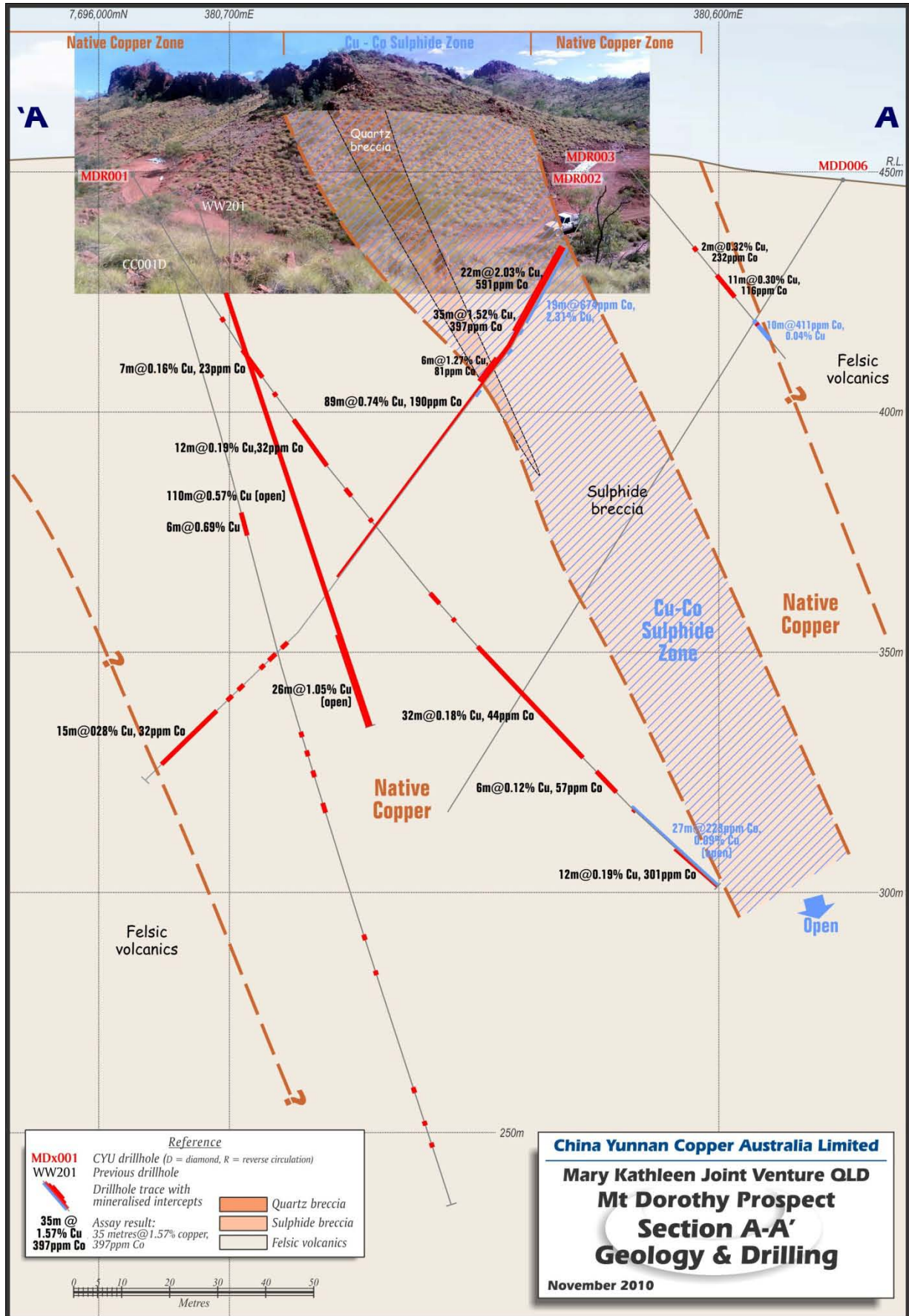


Figure 2. MDR006 Intercept in the breccia zone from visual results.

MDD006 is underpinning, by 50 metres, the previously drilled MDR002 which returned an intercept of **35m @ 1.52% copper and 397ppm cobalt from 17m (Refer Figure 2)**. MDD006 has intersected disseminated and stringer chalcocite in a zone of alteration and brecciation between 55 and 63m (8m) associated with pseudomalachite (**Refer Figure 1**), native copper and fracture controlled cuprite. The mineralisation is hosted in clay-hematite altered felsic volcanics. Minor disseminated native copper and patchy weak chalcocite is present from 63m (**Refer Figures 3 and 4**), to the current depth of 82m and drilling will continue to the planned depth of 150m. Hole MDD005, drilled 40m NNE of MDD006, intersected a zone of alteration and brecciation between 57m and 83m associated with weak native copper and fracture fill cuprite mineralisation. Native copper was noted down to 96.7m at the base of partial oxidation in this hole.

Hole ID	East*	North*	RL	Azi**	Dip	Depth	Target
MDD006	380,623	7,695,016	449	119	-75	250	Test down dip MDR002
MDD005	380,650	7,695,058	448	119	-60	250	Test strike extension MDR002

* Datum GDA94 zone 54

** UTM Grid Azimuth

Table 1: Mount Dorothy Prospect diamond drill collar locations.

Competent Person's Statement

The information regarding to Exploration Activities in this report that relates to the Mount Dorothy (EPM 14019) prospect is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is Exploration Manager of China Yunnan Copper Australia Ltd. 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.

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's principle focus is to identify commercial copper sulphide deposits and develop these into profitable mining operations. In addition CYU has goals of resource definition and development for copper oxides, gold and uranium.

Apart from the Mt Dorothy exploration program other current activities include;

- Drilling a known sulphide zone at the Elaine Copper Rare Earth Element – U prospect, subsequent to the Mount Dorothy program.
- Ground geophysical and mapping programs completed at the Humitos Copper Porphyry project in Copiapo district, Chile. This has identified a series of shallow covered magnetic targets which warrant a 2000 metre RC program which will be completed in late 2010.
- Continued review of projects under Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province, China and Laos.
- Proposed Reverse Circulation drilling in 2011 at Stanley's Hope Gold and the Pentland JV with Activex Ltd, Pentland, North East Queensland.

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Figure 3. MDD006, 62.1 metres; Black blebs are chalcocite in iron oxide breccias.



Figure 4. MDD006, 82 metres; Native Copper in top right and reddish Cuprite (copper oxide) at bottom of core sample in the footwall of the sulphide ore zone.

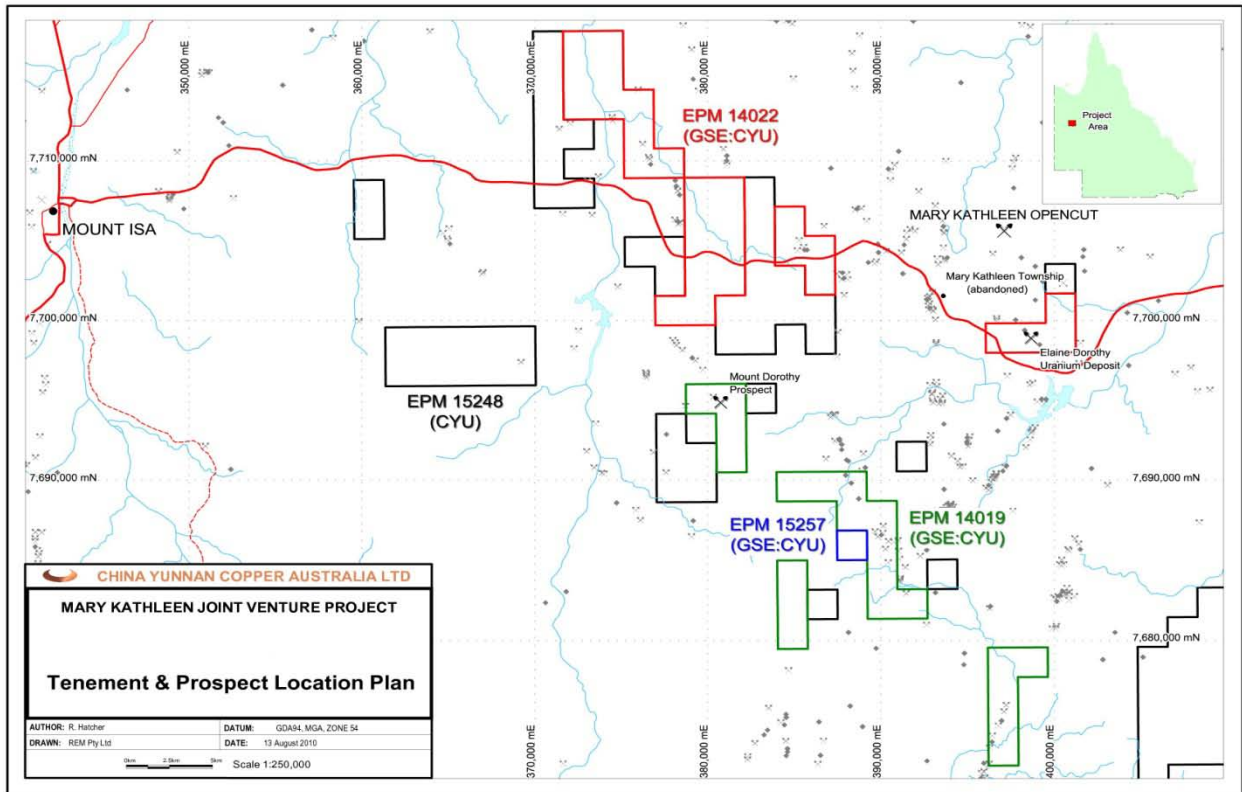


Figure 5: Tenement location plan of Mount Isa Project (CYU 100%) and Goldsearch Limited Joint Venture Project). Mt Dorothy is located approximately 50 kilometres east of Mount Isa.