



## **Co CHAIRMAN'S ADDRESS CHINA YUNNAN COPPER AUSTRALIA LIMITED**

### **ANNUAL GENERAL MEETING 2009**

Ladies and Gentlemen, on behalf of myself and my Co Chairman Mr Liang Zhong I welcome you to the 2009 Annual General Meeting of China Yunnan Copper Australia Limited (CYU). 2008/2009 has been a year of significant progress for your company.

In 2008, your board of directors decided to focus the company's efforts in three main areas of operation :-

Firstly, to continue to utilize the specialist knowledge and expertise of our Managing Director Jason Becton, Executive Director Robert Yang and their excellent technical management team of successful mineral explorers and developers to investigate further our existing portfolio of Queensland based tenements in the Cloncurry, Mt Isa, Pentland, Ravenswood and Clermont regions. In addition it was decided to acquire further tenements in these regions if additional highly prospective areas could be identified. Our team has already tasted exploration success with the Gem Copper Discovery in the Cloncurry district and we look forward to further drilling in 2010 hopefully bringing this project to a JORC compliant Inferred Resource status. During the year, CYU acquired additional areas in Queensland and it is hoped that some of these (such as the Elaine Dorothy Uranium Prospect) will, with further drilling, lead to successful discovery and development of significant copper, gold and uranium deposits.

Secondly, to implement a program to evaluate and if appropriate, to attempt to acquire highly prospective exploration/appraisal areas outside Australia that would add value for CYU shareholders. One of the areas our Technical Team focused on was the major copper belt of southern China. Following earlier discussions with our cornerstone investor Yunnan Copper Industries (YCI), YCI have recently invited CYU to assess possible joint ventures in three copper/gold properties within this world class mineral belt. This is a significant achievement for CYU as we will be the first Australian company to be allowed access to tenements in this major productive copper-gold belt.

Thirdly, to continue evaluation of copper assets both in Australia and overseas with a view to acquisition of a producing or near producing copper project. In this regard, CYU is in a unique position with its cornerstone investor YCI (22%) and YCI's major shareholder Chinalco (49%) providing CYU with access to project finance for such acquisitions, access to Chinese equipment and operational/production expertise. Your company has evaluated a

large number of such copper projects and we are hopeful that such an acquisition may be possible in the future.

In October, your company successfully completed a non-renounceable rights issue of two new shares for each five existing shares at \$0.15 per share, which raised approximately \$4.66 million. It is proposed that the funds raised from the issue will be applied to the costs related thereto, to provide working capital and to progress the Queensland copper-gold projects including drill out of our recent Gem Copper Discovery, the Elaine Dorothy Uranium Prospect and exploration of the recently signed Pentland Gold Joint Venture.

I would like to take this opportunity to personally thank Non Executive Director Dr Mark Elliott who has submitted his resignation to concentrate on his fulltime business as Managing Director of geothermal company Hot Rock Limited. Mark was the inaugural Managing Director of your company and was the person who did all the hard work associated with the successful IPO of the company in late 2007. He has provided excellent service to fellow board members and his knowledge and expertise in the mineral industry both in Australia and overseas will be sorely missed. Also, I would like to thank Mr Chao Yang who has been my Co Chairman since January, 2008 for his services to the company and providing that important link to Yunnan Copper. That link will be maintained as Mr Liang Yong will now replace Mr Yang as our new Co Chairman. I welcome Mr Zhong to the position of Co Chairman of the company.

### **Summary**

Your Board believes that China Yunnan Copper Australia Limited is in an enviable position, with an excellent existing exploration portfolio in Australia and a first class exploration team with two operational offices currently active in northern Queensland. This, combined with the proposed active project acquisition efforts in Australia and overseas and the ongoing support of our cornerstone investor YCI, will hopefully see the transformation of your company from explorer to producer in the near to medium term.

The strong position of China Yunnan Copper Australia Limited is due largely to the commitment and hard work of my fellow directors and our dedicated management team and I would like to personally thank them all for their sterling efforts over the past year. I would particularly like to recognize the efforts of our Managing Director Jason Becton in this regard and thank him for his energy and dedication to the company. I would also like to mention the excellent work completed by our Executive Director Robert Yang and our Exploration Manager Richard Hatcher and Chief Geologist Jim Cran. I would also like to thank all of our shareholders for their patience and believe that during 2010 China Yunnan Copper Australia will reward them for their perseverance.

Norman Zillman

**Co Chairman**