



GoldSEARCH

ASX/Media Announcement

12th July 2011

Completion of Exploration Drill Program at Elaine. Two of four drillholes extended from 300m to 600m depth due to significant disseminated sulphide mineralization being encountered.

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) completed a diamond drill program at the Elaine Dorothy tenement that forms part of their Mary Kathleen Joint Venture. GSE has a 30% interest in the Joint Venture and CYU hold 70%.

A total of four diamond drill holes (MKED005 – MKED008) were drilled to further test the area for copper sulphide, rare earths and other elements including thorium. A total of 1,781.60 meters were drilled during this program.

The program has taken longer than planned due to:

1. A decision to extend the third drill hole (MKED007) beyond the target of 300 meters depth after encountering sulphide veining with **visible copper from 200 meters depth. The hole was eventually terminated in disseminated sulphides at a depth of 609 meters** when the drill rig and supporting equipment reached their maximum depth capability. Light Rare Earth Elements and Thorium were also detected in this hole with a hand held XRF device.

2. The fourth and final drill hole (MKED008) also encountered sulphide veining with visible copper, and indications of Light Rare Earth Elements and Thorium. A decision was made to extend this hole beyond the target depth of 350 meters. Drilling was terminated in disseminated sulphides at a depth of 604 meters again when the drill rig and supporting equipment reached capacity.

We have prepared attachments as follows:

- a. A detailed location map showing the four drill holes including their directions and depths together with the previous drill holes on this tenement.
- b. Our revised interpretation of the mineralised structure.
- c. Photographs of some of the core of drill hole MKED007 and MKED008.

The diamond core from the four drill holes has been logged, processed and submitted for assay and results should be returned by the end of July 2011 - early August 2011.

Based on the assay results and further field work a new drilling program will be designed to achieve a comprehensive understanding of the tenement's resource potential.

Drilling will commence on the nearby Mt Dorothy tenement within the next day. This program initially entails two diamond drill holes which will total around 500 meters of drilling. A 2,000 metre RC drill program is also planned at Mount Dorothy with a rig to be contracted at report date. Assay results from the Mt Dorothy drilling program are anticipated in mid August 2011. Mt Dorothy also forms part of the Mary Kathleen Joint Venture with Goldsearch Limited.

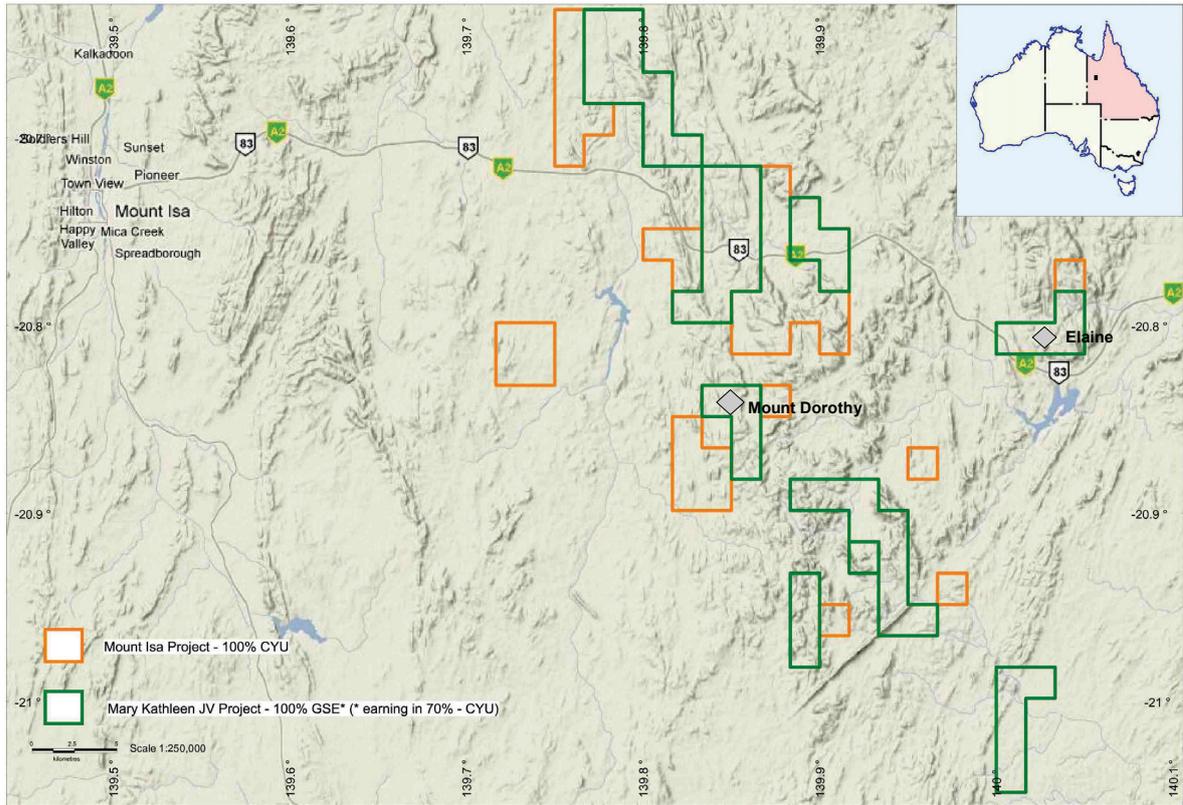


Figure 1. Tenement location plan of the Mary Kathleen Joint Venture Project with Goldsearch Limited. The Mount Dorothy and Elaine prospects are located approximately 50 and 60 kilometres, respectively, east of Mount Isa.



Plate 1. MKED007. Disseminated pyrrhotite - chalcopyrite 489 metres (announced previously).

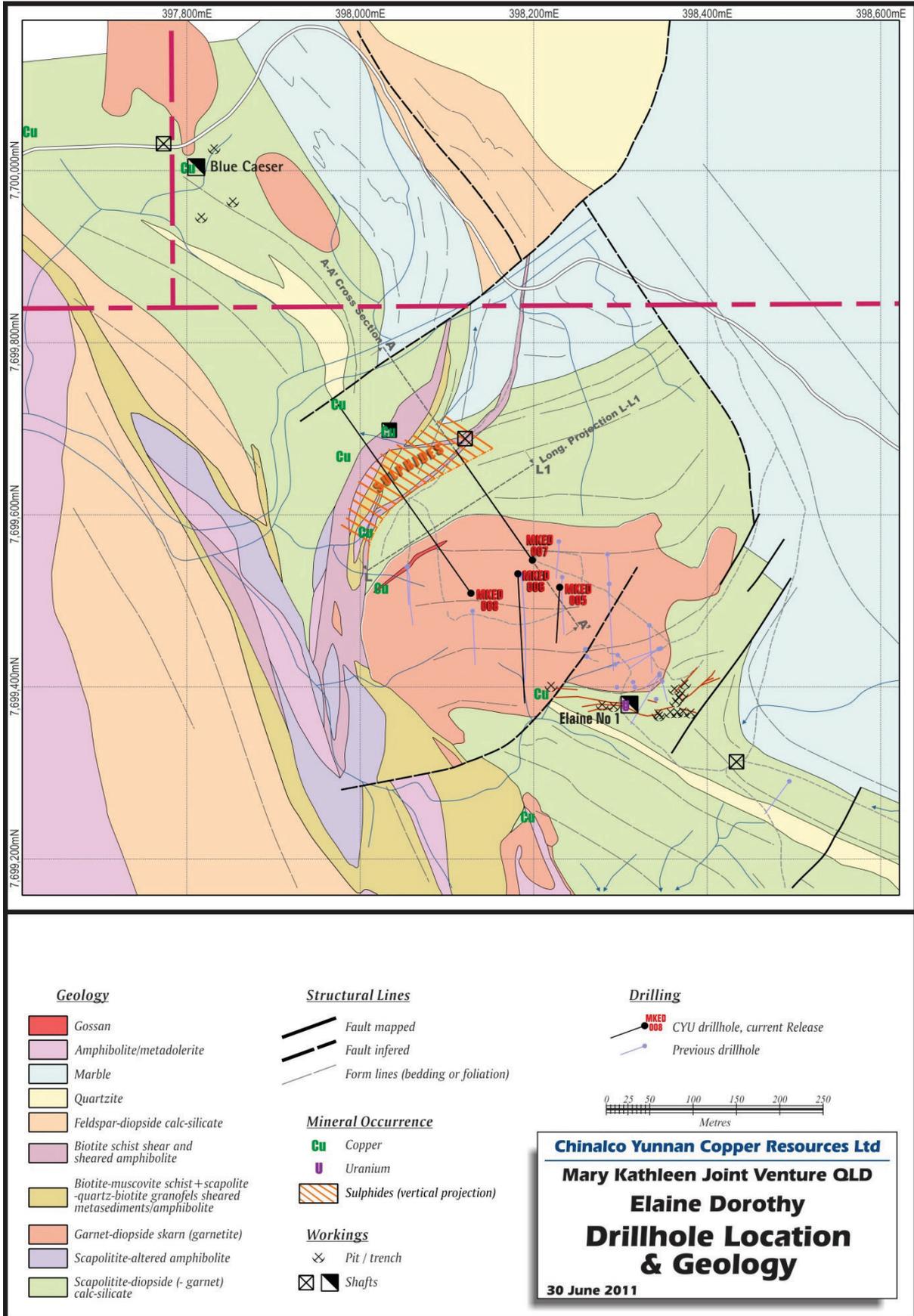


Figure 2. Prospect and drillhole location plan for the Elaine prospect of the Mary Kathleen Joint Venture Project with Goldsearch Limited. Further scout drilling is planned to be undertaken on the southern Cerium (Ce – REE) and Copper geochemical anomalies.



Plate 2. MKED008. Disseminated chalcopyrite - pyrrhotite 423 metres.



Plate 3. MKED008. Disseminated pyrrhotite (iron sulphide) matrix with disseminated chalcopyrite (copper sulphide) 453 metres.

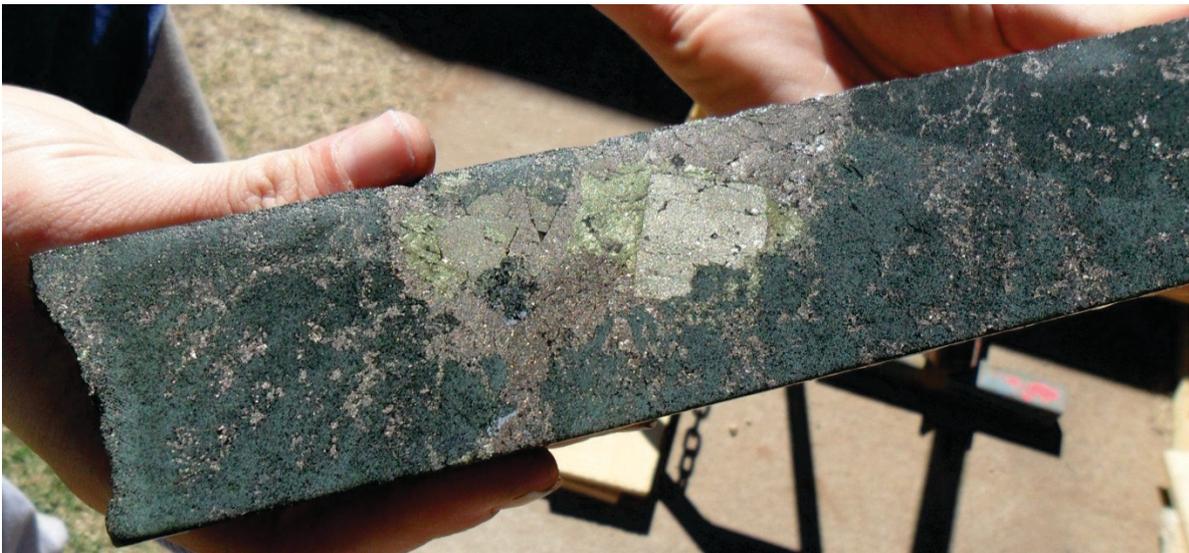


Plate 4. MKED008. Disseminated – pyrrhotite – pyrite and chalcopyrite 504 metres.

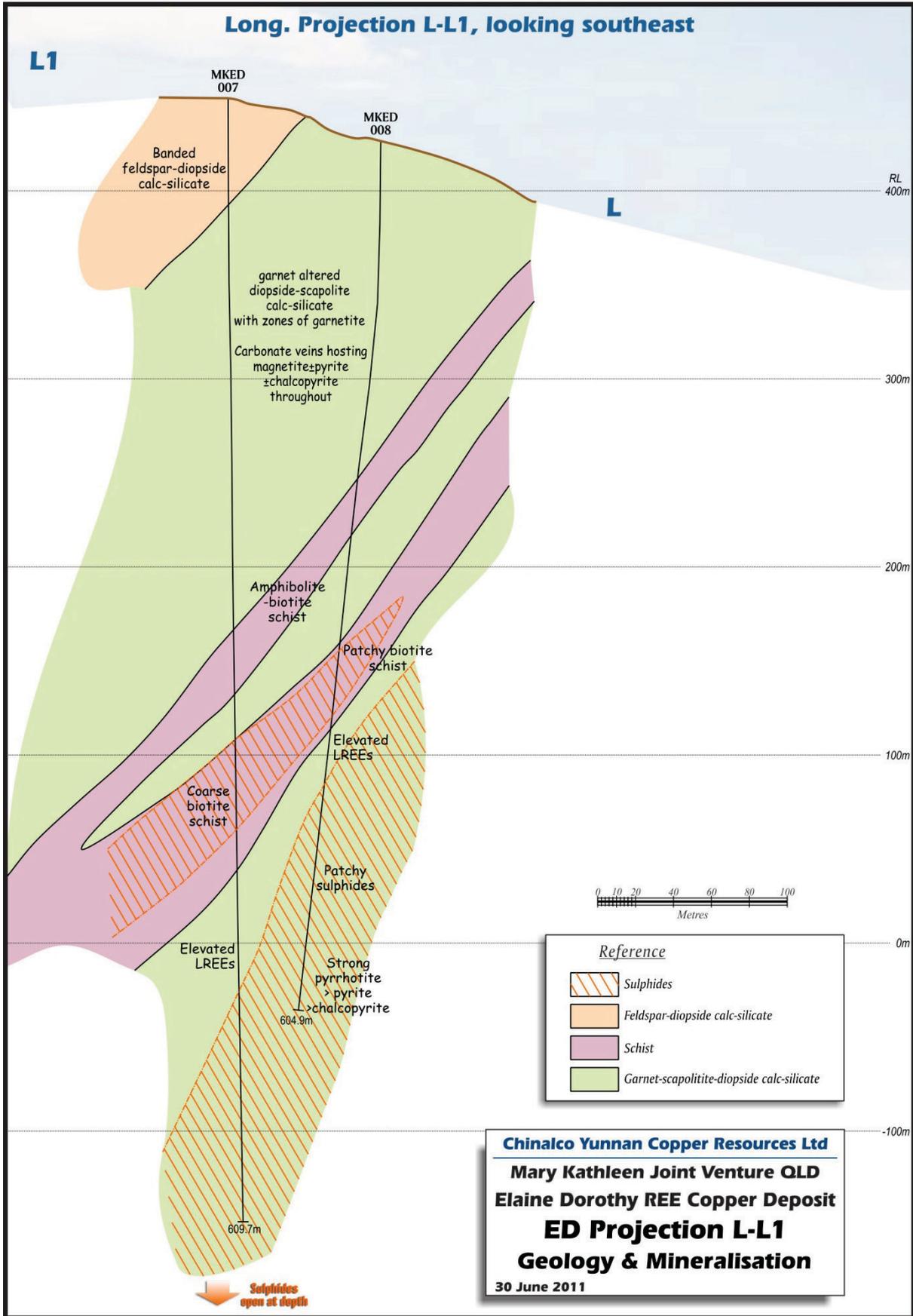


Figure 3.. Long Projection looking SE.

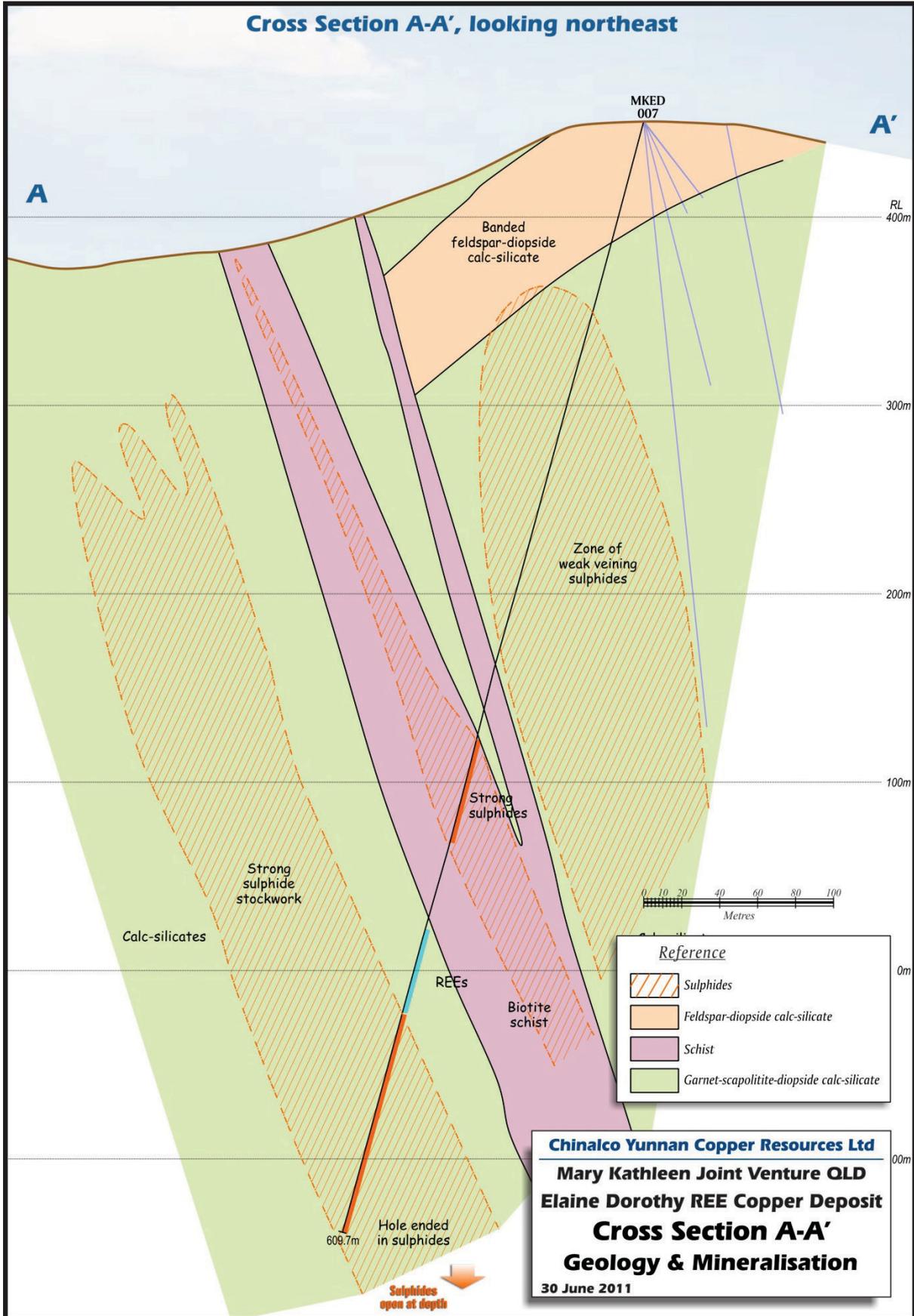


Figure 4.. Cross Section looking NE.



Competent Person's Statement

The information regarding to Exploration Activities in this report that relates to the Elaine (EPM 14022) and Mount Dorothy (EPM 14019) prospects, is based on information compiled by 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.

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