

ASX/MEDIA ANNOUNCEMENT

14th August 2008

New targets identified at Mt Isa and Pentland Projects - drilling commences at Cloncurry Project

Key Points

- **Significant new target identified near Mt Isa with values up to 6.4 g/t gold, 3.4% copper**
- **Geophysical surveys commenced over the historic Toomba Workings and Ralphs Ridge prospects, defined as priority targets in Pentland Tenements, near Charters Towers. Previous sampling encountered up to 37.5g/t gold, 2.2% zinc and 1,483 ppm copper**
- **Drilling of copper-gold targets at the Cloncurry Project to commence this week**

China Yunnan Copper Australia Limited (**ASX:CYU**) today announced significant new mineral targets, Huggins Lookout and Toomba prospects, at its 100% owned Mount Isa and Pentland Projects (**Figure 1**).

The Huggins Lookout prospect in the Mount Isa Project was identified as part of a regional reconnaissance program of all reported QDME mineral occurrences within its Mount Isa Project. The Toomba Prospect of the Pentland Project is the result of reconnaissance mapping and data collation of previously collected samples. Based on encouraging results from both prospects detailed mapping will be completed by the end of September.

CYU has commissioned a drill rig to commence drilling copper - gold targets on the Cloncurry Project.

Mount Isa Project – EPM15248

Reconnaissance fieldwork has identified secondary copper mineralisation in the form of malachite and azurite in a series of old workings trending NE at the Huggins Lookout prospect. Rockchips taken by CYU at Huggins Lookout returned results in excess of 6g/t gold and 3% copper.

The Little Isa Prospect is characterised by extensive workings situated along a major north-south regional trend that is characterised by a prominent quartz gossan outcrop. A strike extent of over 400 metres was followed along this trend. Rockchips taken by CYU returned results peaking at 0.2g/t Au and 7% Cu. Follow up surface geochemical sampling and prospect scale geological mapping is planned to be undertaken on these areas.

Prospect	East	North	Comments	Cu (%)	Au (g/t)
Huggins Lookout	411735	7677165	Metadolerite - Cu Oxide	3.53	<0.01
Huggins Lookout	411668	7677165	Quartz Vein - Cu Oxide	3.38	6.43
Huggins Lookout	411668	7677165	Gossan Material	1.08	3.55
Little Isa	377627	7690638	Metabasalt - Cu Oxide	7.97	0.20
Little Isa	377586	7690514	Iron Oxide - Goethite Spoils	0.18	0.01
Little Isa	377585	7690509	Chert	0.26	0.03
Little Isa	377582	7690494	Gossan Material	0.41	0.02
Little Isa	377584	7690540	Talc (spoil) - Cu Oxide	1.66	0.37
Little Isa	377586	7690799	Quartz - Cu Oxide	1.11	0.01
Little Isa	377580	7690913	Quartz/Chert – Cu Oxide	0.75	0.02

Table 1. Rockchip Results from CYU Mount Isa reconnaissance program.

Pentland Project – EPM 11487, EPM 12900, EPM 12901

An IP geophysical survey is currently underway over the Toomba prospect in the east of the Pentland properties. The Toomba gold prospect covers a broad area of old vein workings with widespread alteration and outcropping mineralisation. Surface samples collected by previous companies have returned assays with over one ounce gold per tonne with high base metal concentrations, but these were not followed up by drilling.

The Toomba Prospect is a series of four NNE trending vein structures over an area of 600m by 700m. Three groups of old workings are reported in the area: Toomba, Toomba East and Lady Barrington. The main mineralisation takes the form of coarse grained banded quartz – sulphide veins with abundant iron oxides hosted within a sericite-altered granite. Pyrite, galena and bornite were observed in hand-specimens. Lesser occurrences of sulphidic quartz veinlets around Toomba East are considered positive indicators for a stockwork target at depth.

Pentland Project – EPM 11487, EPM 12900, EPM 12901 (Continued)

This widespread mineralisation and the prospective structural environment are considered to have potential for either multiple structures or a potential stockwork-style target at depth. At Toomba, CYU has identified multiple shallow pits and shafts along a 550m strike length on the eastern bank of Toomba Creek. Previous records show that sampling in this area has returned gold values of up to 37.5g/t with 5,267ppm lead, 22,800ppm zinc and 1,483ppm copper. CYU is currently resampling across the Toomba prospect.

Two other structures have been worked where they are exposed by multiple shallow pits and shafts over a wide area. Previous company sampling from these zones have returned values up to 19g/t gold.

An IP geophysical survey is also due to be carried out over the potential gold breccia target identified previously by soil sampling and mapping in the Ralphs Ridge prospect in Pentland.

Planned Exploration

Mount Isa

CYU has ordered detailed Quickbird satellite imagery to enhance mapping of the recently granted EPM15248 which occurs between Mount Isa and Cloncurry. CYU expects to continue prospect scale mapping and sampling programs similar to those at Huggins Lookout and Little Isa to assist in generating drill targets.

Toomba

In late August a close spaced soil sampling program will commence to test for blind, near-surface mineralised structures. This technique has proven to be very effective in the recent soil survey in The Gap where similar NNE trending structures/anomalies/trends have been identified.

An IP survey is currently underway, to look for deeper drill targets and to test for the northern and southern limits of the mineralised structures. This is being conducted in conjunction with the IP survey over the Ralphs Ridge prospect.

Cloncurry

In August drilling in EPM 12205 will target copper, gold geochemical and IP geophysical anomalies over the Mavis, Cobb and Emu prospects. Detailed mapping and analysis of soil geochemistry and rock chip samples have resulted in an encouraging number of anomalies to test. A drilling program consisting of 15 holes totalling approximately 3000m is planned to test these anomalies and is expected to be completed by the end of August.

About CYU

CYU listed on the ASX on 29 October 2007 by issuing 16,000,000 25c shares to raise \$4 million. CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers. CYU is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

The information in this report that relates to Exploration Results is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and a Member of the Australasian Institute of Mining and Metallurgy, and is the Managing Director of China Yunnan Copper Australia 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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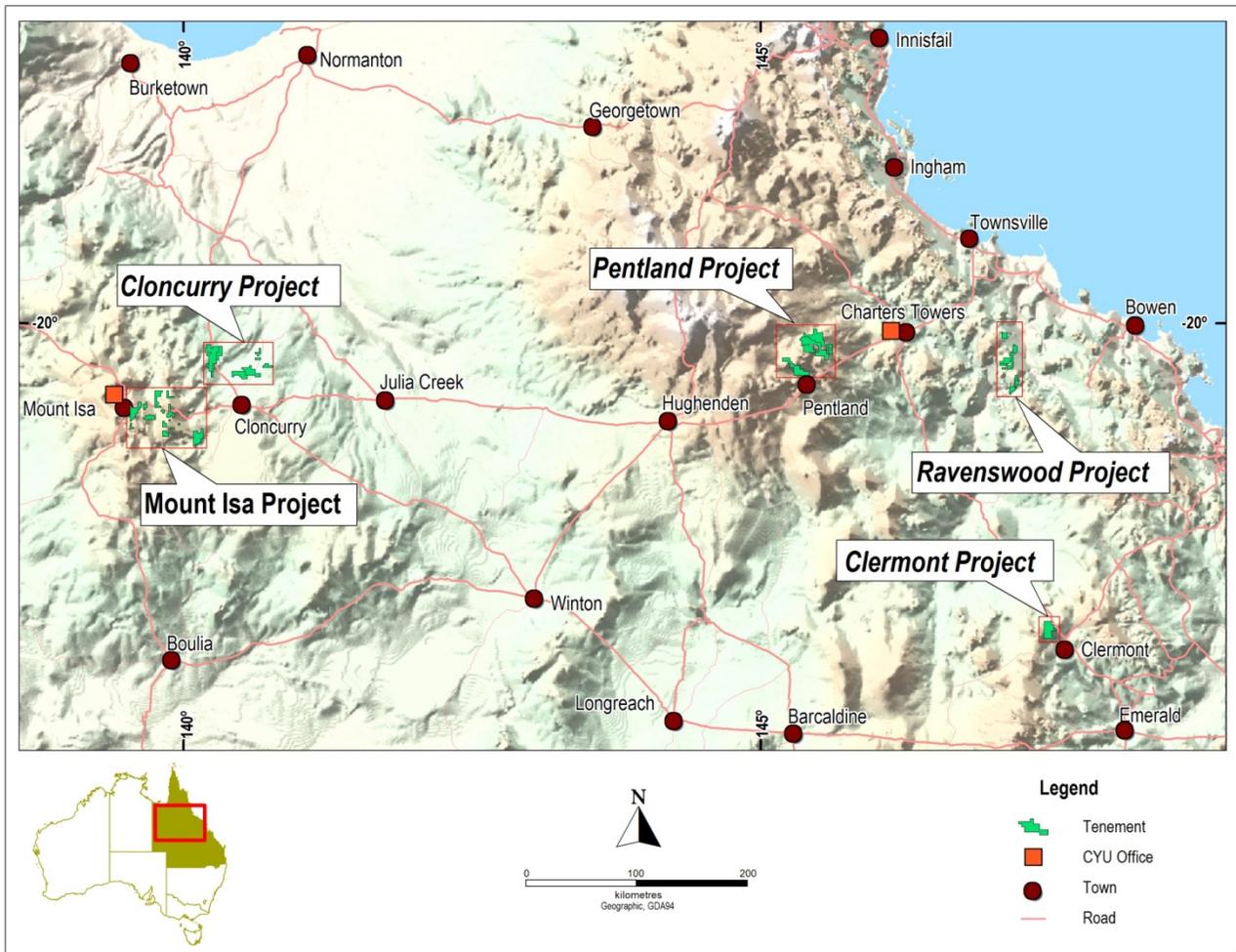


Figure 1. Current CYU project locations.

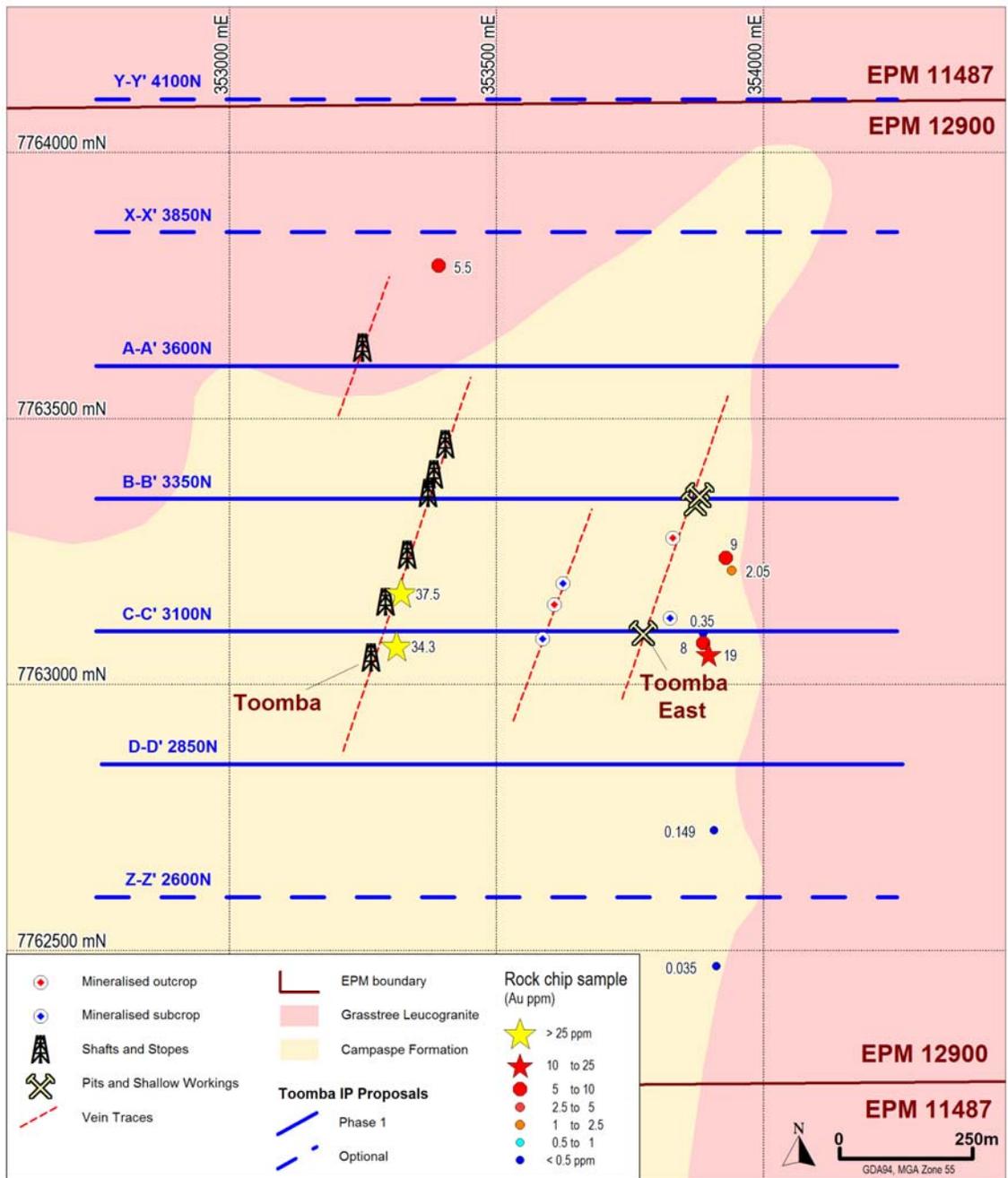


Figure 2: Planned IP survey at 250m line spacing's over the Toomba Prospect. In addition to a detailed mapping program, a short IP program will help refine drill planning to be completed during the current quarter.