



## ASX/Media Announcement

11 October 2011

### **High grade gold (26m @ 7.76 g/t) within copper–cobalt–REE zone at Elaine-Mary Kathleen JV**

- **26m @ 7.76 g/t Au intersected within mineralised system in first hole of current resource drilling program, from 508m in MKED009. Includes 5m @ 22.78g/t Au from 508m depth and 8m @ 10.88g/t Au from 526m depth.**
- **Partial base metal results collated with 32m @ 1.04% Cu, 688ppm Co, 0.28g/t Au, MKED009 from 568m depth (Open up hole with further assays pending).**
- **Due to high levels of radiation detected, base metal, rare earth and uranium assaying is incomplete for the interval 470m-567m in MKED009 - reporting is not expected for at least another week for these samples.**
- **Second diamond drill rig to commence in order to accelerate prospect extension drilling.**
- **JORC compliant resource estimate of the copper+gold+REE+cobalt sulphide zone anticipated by Q1 2012.**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to provide an update on the current delineation diamond drill program at the Elaine prospect that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**) at Mt Isa, Queensland. GSE has a 30% interest in the Joint Venture with CYU holding 70%.

A 6,000m diamond drill program based on a 100m x 100m drillout of a +300m east-west striking geophysical "SAMSON" EM (electro-magnetic) anomaly (open in both directions and at depth) commenced in August 2011 (**Figure 2**). Previous drilling of this anomaly has returned significant copper intersections of **122.7m @0.56% Cu, 317 ppm Co, 0.08g/t Au, MKED007** from 487m depth and **188m @ 0.35% Cu, 174ppm Co, 0.02g/t Au, MKED008** from 415m depth.

To date three diamond holes (**MKED009-MKED011**) have been completed in the program for a total of 1,717.45m (**Table 1**) testing only ~150m of strike and 100m of depth extension. Drilling will continue until the end of the field season with a second diamond drill rig to commence shortly to expedite this phase of drilling.

**Table 1:** Elaine Diamond Drill Collar Locations – September/October 2011

Hole ID	East (m)	North (m)	RL (m)	Azi (AMG)	Dip (°)	Depth (m)
MKED009	398,128	7,699,506	418	10	-56	657.40
MKED010	398,127	7,699,505	418	7	-66	528.75
MKED011	398,058	7,699,621	391	3	-67	531.30
						1,717.45

\*DATUM = UTM GDA94 Zone 54



Gold results have been returned for the entire length of MKED009 with copper, cobalt and uranium results still pending for 470-567m. Delay on the finalisation of the base metal results for these 97 samples is due to extremely elevated radiation readings, requiring them to be processed under strict health and safety protocols. Finalised results for this last batch is at least a week away. Core has been processed for MKED010 and MKED011 with assays still pending.

Preliminary results returned for MKED009 have extended the broad zone of significant primary copper mineralisation, highlighted by **32m @ 1.04% Cu, 688 ppm Co, 0.28g/t Au (OPEN)** in MKED009 from 568m depth. This interval is still OPEN above with base metal assays still pending for 470-567m.

Further broad zones of copper mineralisation have also been intersected including **29m @ 0.64% Cu, 543 ppm Co, 0.13g/t Au** in MKED009 from 393m depth which includes an elevated zone of **14m @ 0.87% Cu, 781ppm Co, 0.20g/t Au** from 401m down hole depth at a 0.5% Cu cut-off and **22m @ 0.53% Cu, 230ppm Co, 0.19g/t Au** in MKED009 from 429m depth.

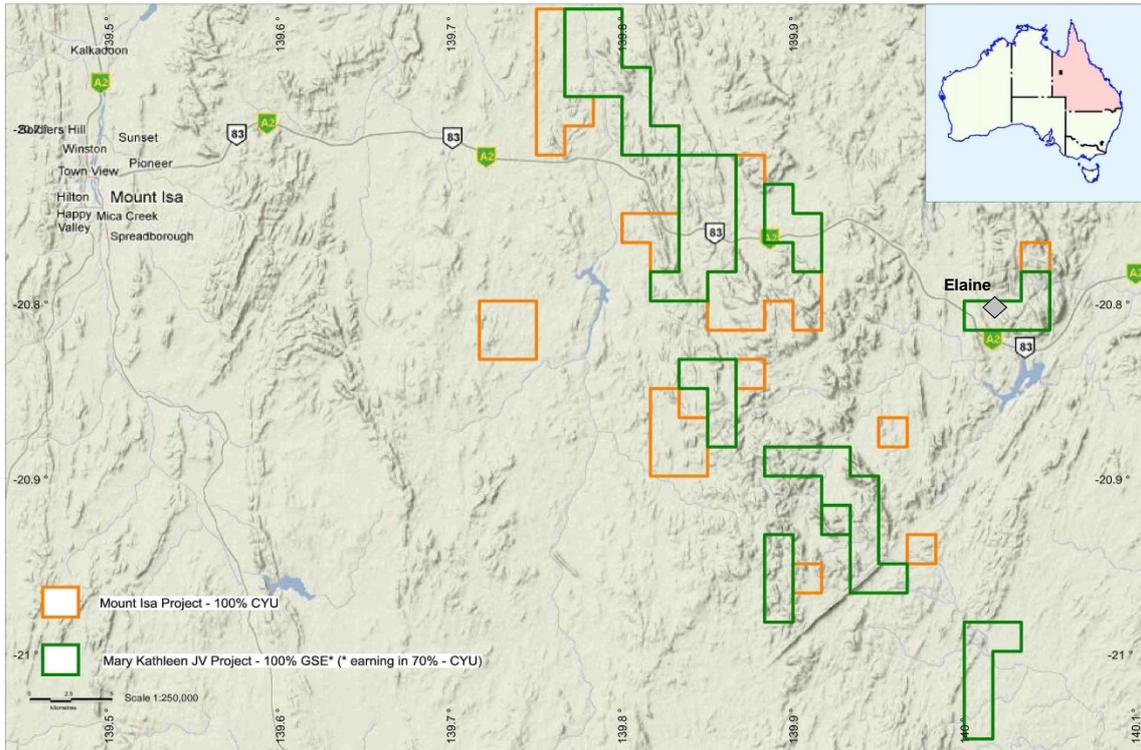
Gold assays have been returned for the 470-567m interval with highly anomalous broad high grade gold identified, highlighted by **5m @ 22.78g/t Au** from 508m depth and **8m @ 10.88g/tAu** from 526m depth. Elevated gold values have also been noted for significant copper mineralisation in MKED009 where finalised results have been returned. The pending assay interval is characterised by visual disseminated chalcopyrite-pyrite-uraninite mineralisation.

**Table 2:** Summary significant copper-cobalt-gold intersections at a nominal 0.2% Cu cut-off with a max 3m internal dilution. 0.5% Cu cut-off for higher grade interval. Gold reported at a 0.2g/t Au cut-off

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Co (ppm)	Au (ppm)	CuEq*(%)
MKED009	48.00	51.00	3.00	0.39	215	0.03	0.51
MKED009	215.00	222.00	7.00	0.33	93	0.07	0.42
MKED009	334.00	342.00	8.00	0.05	454	0.46	0.58
MKED009	393.00	422.00	29.00	0.64	543	0.13	0.97
<i>including</i>	<i>401.00</i>	<i>415.00</i>	<i>14.00</i>	<i>0.87</i>	<i>781</i>	<i>0.20</i>	<i>1.36</i>
MKED009	429.00	451.00	22.00	0.53	230	0.19	0.77
<i>including</i>	<i>435.00</i>	<i>446.00</i>	<i>11.00</i>	<i>0.71</i>	<i>191</i>	<i>0.15</i>	<i>0.90</i>
MKED009	470.00	567.00	97.00	<i>Cu + Co + U Assays Pending</i>			
MKED009	508.00	534.00	26.00	Assays Pending		7.76	
<i>including</i>	<i>508.00</i>	<i>513.00</i>	<i>5.00</i>	Assays Pending		<i>22.78</i>	
<i>including</i>	<i>526.00</i>	<i>534.00</i>	<i>8.00</i>	Assays Pending		<i>10.88</i>	
MKED009	568.00	600.00	32.00	1.04	688	0.28	1.55
<i>including</i>	<i>568.00</i>	<i>587.00</i>	<i>19.00</i>	<i>1.31</i>	<i>740</i>	<i>0.35</i>	<i>1.89</i>
MKED010	AssaysPendings						
MKED011	AssaysPendings						

\* Cu equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowances are made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. Long-term price assumptions and copper equivalent conversion factors are summarised below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.7239)**

Price assumptions – Cu (US\$3.3013/lb), Co (US\$14.5150/lb), Au (US\$1638.70/oz), Market prices as at 5pm 7/10/2011



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

**Competent Person's Statement**

*The information regarding to the Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources 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.*

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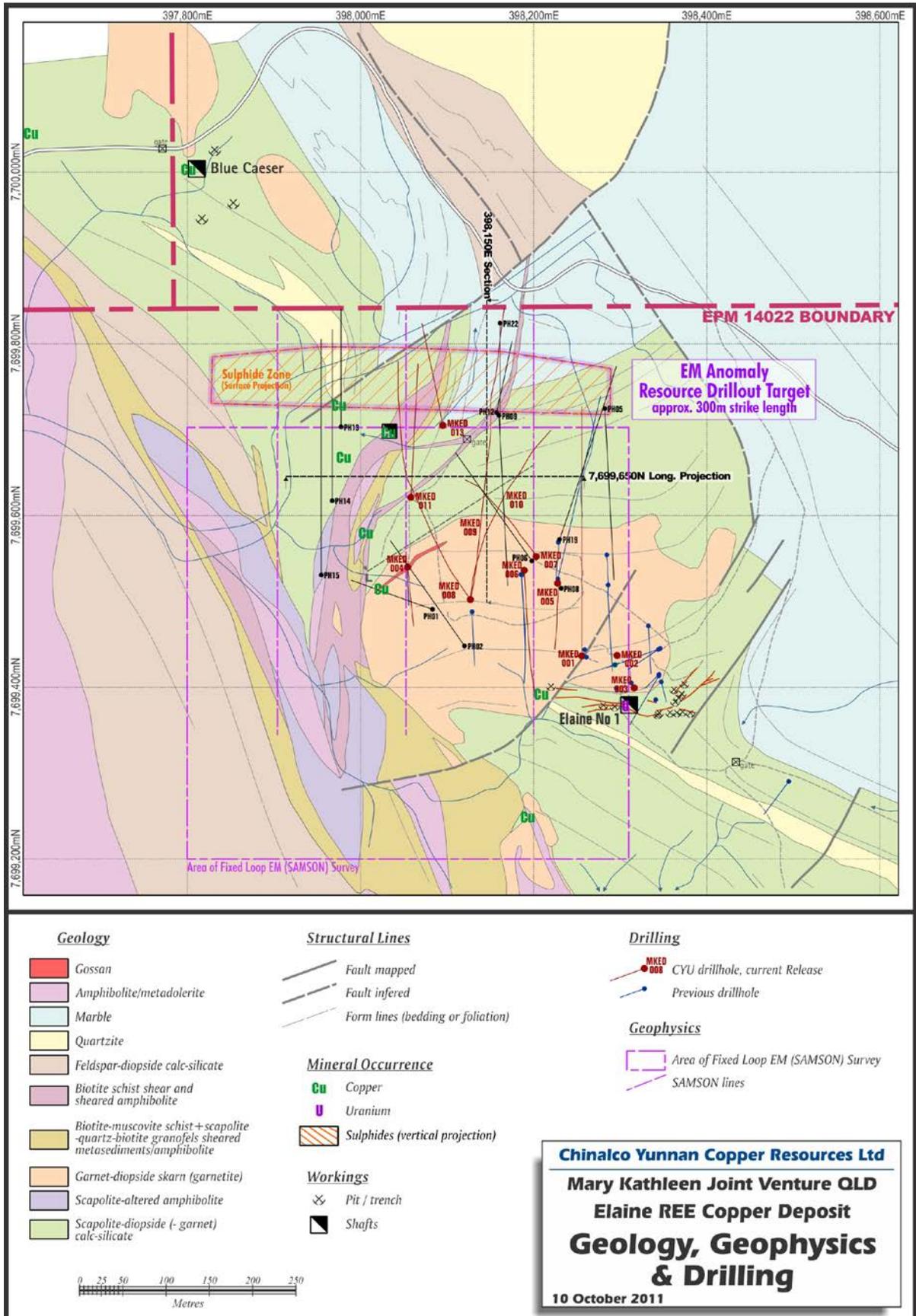


Figure 2. Drillhole location plan – the Elaine prospect, Mary Kathleen JV Project with Goldsearch Limited. Note the area of the EM anomaly suggesting a target area for resource drillout of at least 300m strike.

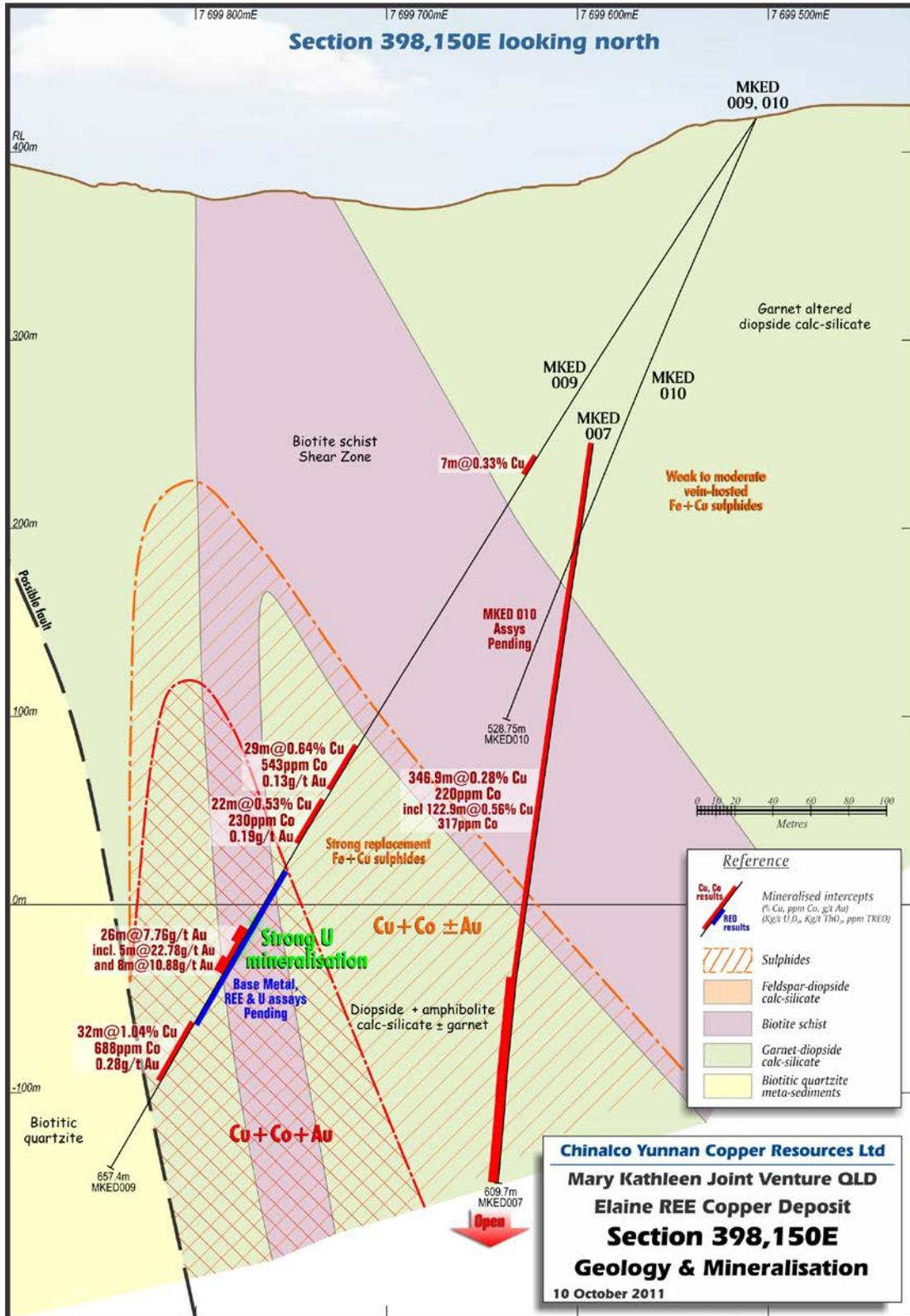


Figure 3: Elaine prospect - Section MKED009.