

ASX/Media Announcement

24 March 2010

Inferred Resource Estimate – Elaine-Dorothy Uranium - Rare Earth Element (REE)

- 83,000 tonnes @ 280 ppm U₃O₈ and 3,200 ppm Total Rare Earth Oxides (TREO) at a lower cutoff of 200ppm U₃O₈. Grade tonnage table reported to JORC standards given in Table 1 below.
- Three diamond holes for only 334 metres allowed historic drilling to upgrade from an exploration target to CYU's maiden Inferred Resource. Next step is resource growth; both at surface and down plunge.
- Resource estimate studies completed by independent resource geologists, with conservative parameters applied, has identified an eastern higher grade zone and areas for resource growth potential.
- CYU is on the path to achieving a short term objective of resource definition for its three target commodities copper, gold and uranium REE by targeting high quality projects in Queensland, Chile and China.

China Yunnan Copper Australia Limited (**ASX: CYU**) and Mary Kathleen Joint Venture partner Goldsearch Limited (**ASX: GSE**) today announced an Inferred Resource for the uranium and rare earth mineralisation drilled in its limited diamond drilling programme at the Elaine Dorothy uranium-REE target, Mary Kathleen Joint Venture, Northwest Properties, Queensland. The Northwest Properties comprise CYU's 100% owned Cloncurry North and Mount Isa projects and the **Mary Kathleen Joint Venture** area (joint venture partner Goldsearch Limited (**ASX: GSE**)) (**Figure 1**).

Independent consultants Hellman and Schofield Pty Ltd have completed an initial resource estimate for China Yunnan Copper's (CYU's) Elaine 1 uranium and rare earths deposit in northwest Queensland. This initial resource is reported as Inferred using JORC Code guidelines and incorporates both historic and recent drilling results.

The Elaine 1 database contains 23 drill holes totalling 3,453.19m, including 14 historic holes (6 holes (445m) drilled in 1955 and 8 holes (1,749.30m) drilled in 1980), 6 holes (924m) drilled in 2005 to 2007 by joint venture partner GSE and 3 holes (334.89m) drilled in November 2009 by CYU.

The majority of rare earth assays comprise cerium (Ce) and lanthanum (La) only (~410 assays), while only 113 intervals have complete rare earth assays. The intervals with complete REE assays were used to derive a relationship between Ce and total rare earth oxides (TREO), which was used to drive TREO for all intervals with Ce assays.

The interpreted mineralised zone has a strike length of approximately 120 metres and a down dip extent of up to 240 metres and are based on an uranium grade threshold of 30-50 ppm uranium in the drill holes and tied to indications of mineralisation at surface.

The resource was estimated using ordinary kriging, with a maximum search of 100m in the plane of mineralisation. A density of ~3.1 t/m³ was applied, derived from recent CYU Specific Gravity (SG) pycnometer measurements. It should be noted that this density is more conservative than the 3.6 t/m³ used for historic estimates. The grade-tonnage data for the mineralised zones are presented below, along with a grade-tonnage curve.

CUT OFF ppm U ₃ O ₈	kt	U ₃ O ₈ ppm	TREO ppm	SG	t U ₃ O ₈	k lb U ₃ O ₈
100	343	170	1889	3.09	58.3	129
150	151	230	2491	3.08	34.7	77
200	83	283	3236	3.07	23.5	52
250	40	344	3540	3.07	13.9	31
300	22	402	3714	3.07	8.9	20
400	6.7	552	6072	3.07	3.7	8
500	4.3	617	8069	3.07	2.6	6

Table 1. Resource Table at increasing cutoffs using ppm U₃O₈.

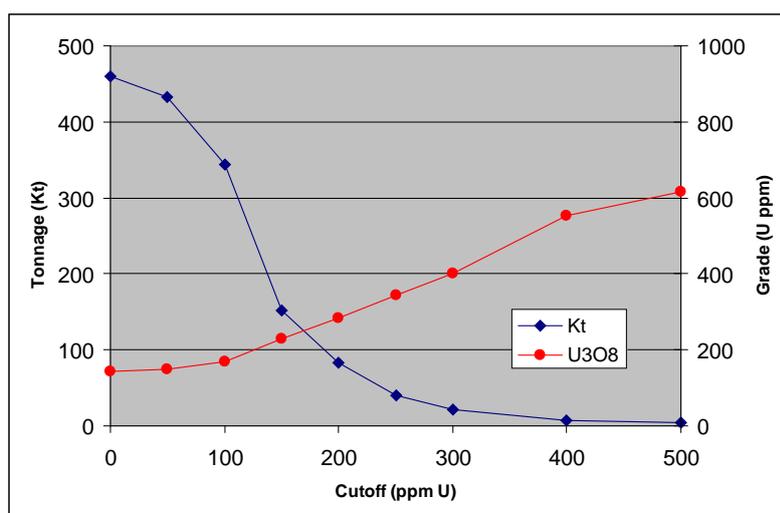


Figure 1. Grade tonnage curve for U₃O₈.

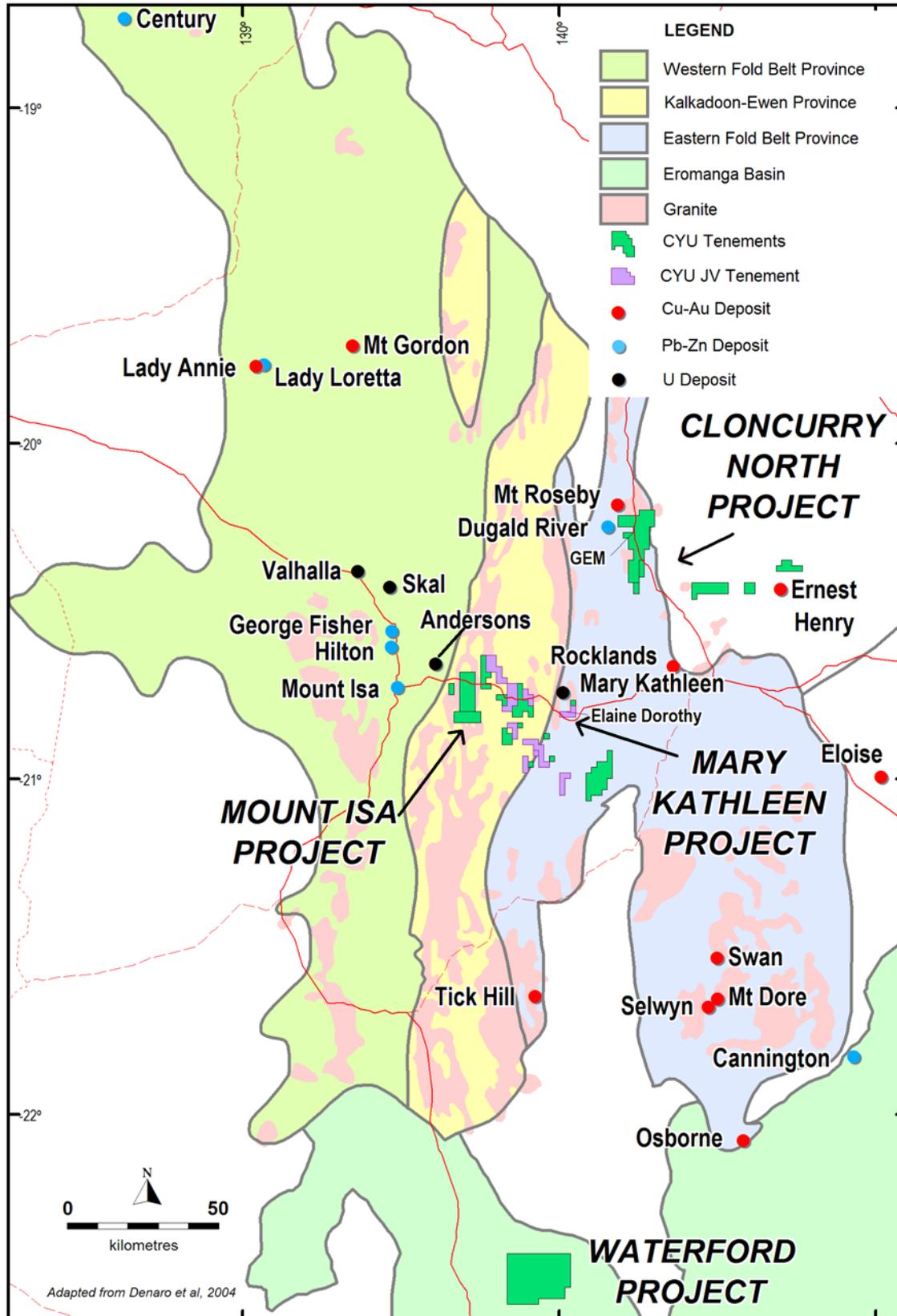


Figure 2. Location of the Elaine Dorothy Resource, 4km from the Mt Isa - Cloncurry sealed road.

Company	Year	Cut off	tonnes	kg/t U ₃ O ₈	t U ₃ O ₈	k lb U ₃ O ₈	SG
Mary K	1955	?	5,100	2.80	14.3	31	
Mary K	1963	?	9,000	1.53	13.8	30	
CRA	1980	150ppm U ₃ O ₈	180,000	0.56	100.8	222	3.60
CYU	2010	150ppm U ₃ O ₈	151,229	0.23	34.7	77	3.10
CYU	2010	200ppm U₃O₈	83,120	0.28	23.5	52	3.10
CYU	2010	100ppm U ₃ O ₈	343,298	0.17	58.3	129	3.10

Table 2. Comparison with historic estimates for U₃O₈ only.

Elaine Dorothy grades for REE have not been previously quantified due to absence of assaying for REE prior to 2005. The 1980 estimate is broadly comparable to the CYU estimate although Hellman and Schofield opted for a conservative SG (reducing tonnage) for this early stage of defining an Inferred Resource.

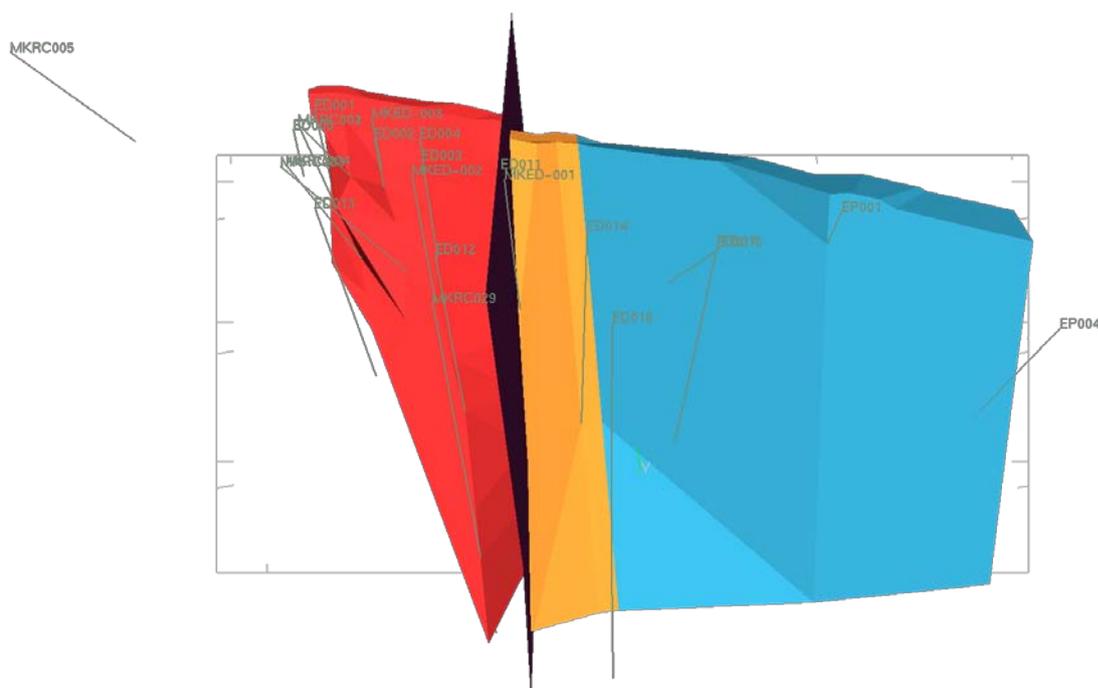


Figure 3. Elaine Dorothy mineralised zone looking south.

Mineralised Zones – blue = potential extension. The red eastern zone is nominally higher grade and remains open down plunge and to the east along the surface. An extensive surface sampling program of surveyed slot trenches is to begin in the next field campaign.

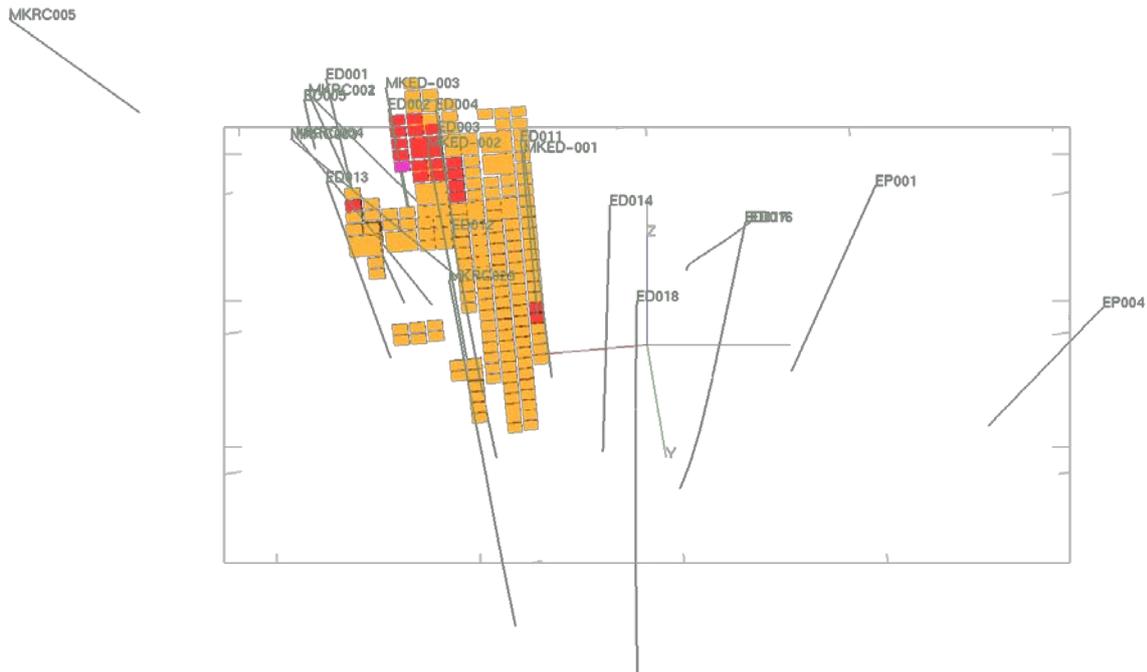


Figure 6. At a cutoff of $U_3O_8 > 200\text{ppm}$ the reported resource is displayed, ie all blocks within the mineralised envelope with significant grade. At this cutoff an estimate of 83,000t @ 283 ppm U_3O_8 and 3,236 ppm TREO is generated. Orange blocks are greater than 200ppm U_3O_8 and red blocks are greater than 500ppm U_3O_8 .

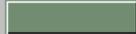
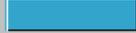
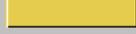
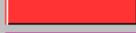
U3O8		
FROM	TO	
0.0	6.0	
6.0	25.0	
25.0	50.0	
50.0	100.0	
100.0	200.0	
200.0	500.0	
500.0	1000.0	
1000.0	99999.9	

Figure 7. Block Model U_3O_8 grade legend for figures 5 and 6.

Competent Person's Statement

The information in this report that relates to Inferred Resource is based on information compiled by Arnold van der Heyden, who is a Member of the Australasian Institute of Mining and Metallurgy, is a Consulting Geologist for Hellman and Schofield Pty Ltd. Mr van der Heyden 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 van der Heyden 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 is on the path to achieving its short term objective of resource definition and development for its three target commodities copper, gold and uranium-REE and to achieve this is targeting high quality projects in Queensland, Chile and China.

- Maiden resource estimate completed for Elaine Dorothy U-REE prospect with JV partner, Goldsearch Limited and reported to JORC standards.
- Currently RC drilling the Gem Copper Project.
- Currently diamond drilling the Pentland Gold Project with ActivEX Limited.
- In a purchase agreement for the Humito Copper Porphyry Project in Chile.
- In a Memorandum of Understanding for project generation in China with cornerstone investor YCI.

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